












The  
Engal, Bihar And  
Orissa

VOL-4

1918

A handwritten signature in cursive script, appearing to read 'Dus.' or similar.

**Librarian**

**Uttarpara Joykrishna Public Library  
Govt. of West Bengal**



# **The** **B. C. O.** **ENGAL, BIHAR** **AND ORISSA** **CO-OPERATIVE** **≡ JOURNAL ≡**

**Vol. IV**

**JULY, 1918**

**No. 1**

## **NOTES AND NEWS**

Bengal co-operators—specially the members of the Bengal Co-operative Organization Society—are profoundly grateful to His Excellency Lord Ronaldshay for his kind condescension in sending to them the heartening message of sympathy and goodwill. From the very beginning of his rule His Excellency has evinced the keenest interest in the sound development of the co-operative movement in this Presidency and its practical outcome is to be found in the handsome grant which His Excellency's Government have been pleased to confer on the infant B. C. O. Society to enable it to bring out the English and Bengali co-operative journals. It shall be our earnest endeavour to make ourselves worthy of this confidence, and we hope His Excellency's kind appreciation of the aims and objects of the B. C. O. Society will draw new workers in the field to spread the co-operative faith and make new converts to the gospel of co-operation.



With this number our Journal enters on the fourth year of its existence. The public appreciation with which it has been so long favoured has encouraged it to enlarge the scope of its activities and therewith to appear under the new title of the

*Bengal, Bihar and Orissa Co-operative Journal.* It is to be hoped that in this new form it will continue to enjoy the former measure of support of co-operators in these two provinces. We have to thank our many contributors and sympathisers and we trust that in the year before us we shall derive the same support from them as they have been pleased to extend hitherto. It would be a long and superfluous task to enumerate the names of all who have co-operated for the working and development of this journal but if we single out any name it must be that of Mr. Abdy Collins, late Registrar of Bihar and Orissa, who has done his best to make the journal worthy of its new name and wider territorial claims.




Hitherto the Journal's fortunes have been guided by Mr. J. M. Mitra and Mr. J. T. Donovan and no small measure of the success it has so far achieved is due to their zeal and capacity. It is to be hoped that although they are no longer directly connected with the Journal their wide experience and valuable advice will always be available for our help and guidance. There can, of course, be no doubt that the enthusiastic interest of the late Editor will still assist us—the more so as he is the Vice-President of the Bengal Co-operative Organisation Society which has just taken over this Journal to serve henceforth as its mouthpiece.




Conference after conference has passed resolutions in favour of starting a journal of co-operation in Bengali, but hitherto many difficulties, especially financial, stood in the way of carrying out these proposals. But with the handsome grant which the Government of Bengal have been pleased to make to the B. C. O. Society it is now possible, simultaneously with the present number of this journal, to bring out a Bengali co-operative *monthly* —“*Bhandar*”—edited by Mr. Tarakchandra Ray, Joint Registrar of Co-operative Societies, Bengal. Such primary societies as get affiliated to the B. C. O. Society will entitle themselves to get the Bengali Journal free and the Central Banks are earnestly

requested to induce their affiliated societies to join the B. C. O. Society.



It was the opinion of the philosopher Comte that all social sciences were linked together inextricably and that it was hardly possible to erect a separate science of Economics apart from that of Politics. That view was of course untenable in that exaggerated shape and yet there was much truth in it. To take an example, the co-operative movement—an economic movement in the main—has a close connection with the problem of local self-government. Co-operation has a direct tendency to increase the wealth and to redeem the debts of the rural population; but it has also a great indirect influence in breathing new life into the village communal system. On the other hand any increase in the vitality of the communal system must react in improving the prospects of co-operation. The political and the economic life of any community must be closely linked together. From this point of view the Bengal Village Self-Government Bill of 1918 must prove to be of predominant interest to the co-operator. Indeed, to the co-operator many of the statements made in the admirable speech of Sir S. P. Sinha in introducing the Bill must strike as so many exhortations to co-operation. The dicta as to the necessity of co-operation between the Government and the people, the avowed necessity of building up the projected system of self-government from the bottom by the creation of village authorities, the proposal to make the villager a vital link in our system of government—these are pronouncements which will go direct to the heart of the enthusiastic co-operator, for there are the very axioms and postulates of any true system of co-operation.



The co-operator might well proceed to look more closely at some of the reforms projected, from his own point of view. From time immemorial the *panchayets* have supervised the functions of the village watch and ward. The highest authorities, from the days of Lord Hastings to those of the authors of the *Chaukidari*

4

Act of 1870 have continued to affirm this principle; and now it is attempted go back to these earlier traditions of India by the effecting of an amalgamation or combination of the *Panchayet* and the Union Committee. There were some who contended that the dual control over the *chaukidar* has failed in Bengal, and that it was only a question of time before these *chaukidars* were departmentalized; but, at last, it has been decided, and, we believe wisely, not to weaken the tie between the rural police and the community whom they serve but rather *to strengthen the communal power in this direction* and to enlist the co-operation of the community in the preservation of the public peace.

~ ~ ~


As in the case of the village watch and ward, so also in the matter of the exercise of municipal functions in rural areas, the co-operation of the village community is required and has been enlisted by the Bill. Here the villagers are invited to co-operate with the Sanitary Commissioner and his department. The village is also to participate largely in the administration of justice, and the decision has been taken to revive the village courts of olden days. The Decentralization Commission and the Government of India have already contemplated a system of village courts similar to those which have been created under special enactments in Madras, the United Provinces and the Punjab. "The primary object of these village courts," says the Bengal District Administration Committee, "is not to afford relief to the regular tribunals. They were partly designed to give petty litigants the opportunity, if they wished to avail themselves of it, of settling their disputes by a simple and inexpensive procedure near their homes, *but their main purpose was educative, to develop the sense of communal responsibility within the Union, and to teach the people to manage the affairs of their own villages.*" The ideal is one of high and developing co-operative education. There is another direction in which the new local self-government is destined to come into contact with and to forward the co-operative movement. As has been well and correctly observed, "the existence of such Circle Boards in the interior of the district, each representing an area considerably

smaller than the subdivision, should be of great use in directions other than that of local self-government, as, for example, in relieving distress in times of flood or famine, in *helping on schemes in connection with the co-operative movement* and the development of agricultural demonstration. Both the aims proposed by the Bill and the machinery for accomplishing them are in complete accord with the theory and practice of co-operation. This is no matter for surprise; for the world is moving towards that economic and political *solidarity* which is the one aim of all forms of co-operation.




In co-operation as in other subjects, there is nothing so fruitful as comparative study. From this point of view we welcome Mr. Calvert's first contribution to our journal. Mr. Calvert's paper on "Rural Credit in Saskatchewan" which appears in the present number of our Journal draws attention to Canada's rapid progress in co-operation. It also indicates how the development of rural credit and farm mortgage credit in their various forms depends on the economic environment of a country. In the older provinces of Quebec and Ontario the population is more dense, stable and familiar with co-operative principles, while the farms are small. As a consequence the "peoples' banks" have been already successful in those regions. In other parts of Canada the large farms predominate, the population is sparse, and the life of the farmer is isolated. Hence the application of any ready-made European co-operative credit system is difficult and attempts made to adapt either the Raiffeisen personal credit system or the Landschaft mortgage credit plan were not easily successful. As Mr. Morman, a high authority on co-operation, observes, "there is nothing magical in the word 'co-operation' toward establishing a workable rural credit system where farmers are unable or unwilling to organize." This means that certain parts of Canada are in a transitional economic phase where the farm-mortgage credit has had to be introduced in advance of peoples' banks. But although such is the case in parts of Canada, this does not imply that on the whole Canada has not progressed in co-operation. We, in India, have started at

the other end; and, yet, if our agriculture become capitalised largely, if there is a tendency to increase the size of our farmers and if our landholders take to cultivating their estates as single units there will be great need for the development of a system of farm-mortgage credit in India.




Should such a development occur in India there would be much that is instructive in the Saskatchewan farm mortgage legislation or rather in that larger scheme for the organization of rural mortgage-credit in Manitoba, Saskatchewan and Alberta of which the project described by Mr. Calvert forms only one part. It does not merely reproduce the various systems of mortgage loans followed in other countries, but adapts and modifies them to Canadian conditions. For instance, the Canadian scheme follows in the main the methods of the German *Landschaften*, but it differs from them in its provisions for government aid and supervision as well as in other respects. The Chairman or Commissioner of the board of management will be a permanent official. India can witness how much its co-operative system has gained by such government supervision. It is always wise to supplement the official president by a non-official board as in Canada. To come to other features of the Canadian scheme, money will be lent only for the purchase and improvement of land, for the purchase of livestock and for the liquidation of such existing debts as are approved by the board. There is also an element of collective liability, since each member of a group is liable to the extent of 50 per cent. of his own loan towards the indebtedness of a defaulting member. As the loans are to be only upto the value of 40 per cent. of the approved value of the farm, their need be no fear of the land being over-burdened by the debt. The expenses of administering the Act are not expected to exceed one per cent.



India being an eminently agricultural country, as well as a great exporter of agricultural produce, the necessity of a system of elevators in our country has often been pronounced to be

*imperious. In this direction, too, the experience of Canada—* another great wheat exporting country—might be valuable. Since 1911, the Saskatchewan Co-operative Elevator Company has carried on its important task of buying, selling and storing grain and of constructing or acquiring grain elevators. We have before us the latest report of the Company, and it forms very interesting reading furnishing proof of intense and very successful activity. From 1st April 1915 to 31st July 1916 the Company handled altogether 43,198,000 bushels of grain, or about 15.8 per cent. of the total exports. In the last year the total amount of grain which passed through its elevators exceeded the amount handled in the first three years of the company's existence. Twenty eight new elevators were bought or acquired in the year 1916 and the total number of elevators it possesses amounts to two hundred and thirty. It is superfluous to say that the large amount of business done by the company has considerably reduced the working expenses per unit. Only farmers can hold the shares of the company and no one can hold more than twenty shares. The dividend may not exceed ten per cent. ; and this year the dividend paid was eight per cent. in spite of the payment of the large war tax on business profits. Both Indian farmers and exporters would be greatly benefited if such a system of co-operation took root, say, in Karachi or in the Punjab.



In April last there was held a co-operative conference in Bombay which combined two novel features. In the first place, as was pointed out, it was held on the initiative of non-official co-operators. In the second place, it dealt only with the problems of co-operation arising in the city of Bombay, on the ground that the conditions affecting the social and economic well-being of the society in a big city like Bombay are totally different from those prevailing in the Mofussil. There is much to be said for both these points of view. Although the basic principles of co-operation must remain the same wherever it is applied, yet there is a great need for the specialised study of particular and local co-operative problems especially those relating to the larger cities. There is a vast field for work in the subjects relating to

the urban and suburban life which have to be analysed with advantage from the co-operative point of view. Such specialised conferences might with advantage be held in Calcutta, Bombay and other great cities with the object of enlisting the interest and sympathy of the public and of creating an opinion on such subjects among the local influential people. The Bengal Co-operative Organization Society might well take up the subject earnestly.

~ ~ ~

The President of the Bombay Conference also advocated in his speech the transfer of a larger share of the control of the co-operative movement to non-official hands. This is, of course, a consummation devoutly to be wished for but *if* and only if certain essential and favourable conditions are present. In the first place the non-officials who desire such share of control must deserve it by being men of great business capacity, of commanding influence and also able and willing to devote a great many hours every day in the year to the vast and complicated transactions which they wish to guide. It must be remembered that it takes a lot of time to develop such leaders of the co-operative movement and also that the movement is in its infancy in India. There is no reason to suppose that the Registrars and other officials who are at present controlling the movement are unwilling to transfer more powers of control to non-officials. Indeed, many dicta of these officials can be quoted to show that they earnestly desire and work for such a transfer. The President of the conference himself quoted some of these pronouncements coming from Mr. Crosthwaite (late Registrar of Co-operative Societies in the Central Provinces) and others. He observed further that "the Government of Bombay is in favour of giving a large share in the work to the non-officials"; and this is true also of other provincial governments. But it has also to be noted that without Government supervision and the influence of capable and popular officials it would be difficult to induce the poor peasant and even many of the larger investors to entrust their cash to the co-operative societies. We should not forget that all the traditions of India from the days of old point and point correctly—in the direction of close co-operation between the Government and the

people of the country. As Mr. Carstairs who took a great deal of interest in local self-government put the matter in an aphoristic shape for India : "without the people the Government *can* do nothing, without the Government the people *will* do nothing." Let us aim at a closer and higher form of co-operation between the Government and the people.



We have received a prospectus of the Bombay Central Co-operative Institute. It is proposed that the promoters of the Institute should meet in the course of the present month to consider the response to the prospectus and to take measures for the registration of the Institute. The objects of the Institute are to develop the co-operative movement in Bombay by all means in its power, to serve as a centre for every sort of co-operative activity, to promote the study of all questions connected with co-operation and to ascertain and represent the views of co-operators on any questions of general or public importance affecting the movement. In the view of the promoters the future guidance and control of the co-operative movement should lie with three co-ordinate authorities, the Registrar responsible for seeing that the Act and the bye-laws are not infringed and that fundamental co-operative principles are observed in organisation, and for the regular annual audit ;—the Bombay Central Co-operative Bank undertaking the finance of the movement,—and the proposed Central Institute responsible for co-operative propaganda, education and inquiry. The objects of the proposed Institute are most comprehensive and of the highest importance and are very similar to those of the Bengal Co-operative Organization Society. The names of the promoters are such as to inspire confidence including as they do a rare combination of official and non-official talents. If the Institute succeeds in working out its programme in any fair measure, it will have deserved well of the country and will have rendered a great service.



Before the Bombay Co-operative Conference of April last, a brief but thoughtful paper on Co-operative Life Insurance was read.

by Mr. Dastur. The writer did not underrate the difficulties in the way of co-operative Insurance. Apart from the difficulty of the ignorance of the people there is the fact that a large capital would be required to earn sufficient income to defray the necessary expenses. We have also to take into account the higher rate of mortality among the poorer classes owing to mal-nutrition, bad housing and want of healthful forms of recreation. Finally, the majority of the working population are not stationary but shift from place to place. Under these circumstances it would be difficult to recover the premium from them. But while the difficulties in the way are great the advantages are such as should make the undertaking worth while. It would be no small gain to intercept middlemen's profits. But apart from that the policies would strengthen and safeguard the position of co-operative societies, since they would serve as excellent collateral security. Mr. Dastur recommends the adoption of the "Group Insurance" system which has worked well in America and which might help to avoid many of the difficulties mentioned above.



We desire to draw the attention of our readers to a new type of co-operative society which has recently been organized by Babu Nirendra Nath Bose, Inspector of Co-operative Societies, at Panihati in the Sub-division of Barrackpore. We refer to the Panihati Co-operative Anti-malarial Society, Ltd., consisting of residents of Panihati village who are of good character and of not less than 18 years of age. The object of the society is declared to be (1) to prevent malaria, (2) to render free medical aid to the members of the Society, (3) to supply ordinary medicines free of cost to the members, and (4) to encourage thrift, self-help and co-operation amongst the members. Every member has to pay an entrance fee of Re. 1 each and a quarterly subscription of Rs. 3 in advance. The entrance fees and subscriptions may be supplemented by generous donations from any person or persons, or from Government or local bodies. For details of the constitution of the Society, we would refer the reader to the by-laws printed elsewhere.

Bengal is the haunting ground of malaria and any steps that are taken to mitigate its severity are worthy of adoption in our rural areas. We are glad to find that the principles of co-operation have been applied in the above manner to the solution of the problem of malaria, and we wish the new Society every success. We hope similar societies may be started in large numbers in the rural areas of Bengal.



We welcome this new society on other grounds also. The progress of co-operation in Bengal, as elsewhere in India, has been a little one-sided—the greatest progress, as is only to be expected, being in the expansion of agricultural credit, the least in the direction of societies with other than agricultural credit as their object. But we are glad to note that, with the establishment of this new society and other non-credit agricultural and non-agricultural societies, grounds for complaint are gradually disappearing: to accelerate progress in this direction, a new Joint Registrar is, we understand, shortly going to be appointed.

In this connection we should like to point out the necessity of appointing a large number of paid co-operative instructors to tour round the rural societies and teach the members the principles of co-operation. The Inspectors and Auditors are too much pre-occupied with their ordinary routine duties to devote their time and energy to this all-important work of co-operative education. Simultaneously with the increase of the higher staff, there should be a corresponding increase in the inspecting and instructive staff at the bottom, otherwise the whole structure would be a top-heavy one.



Bengal Co-operators have not been behindhand in doing their bit towards helping to win the War. We are glad to announce that the Bengal Provincial Federation of Central Banks has purchased Rs. 57,600 worth 5½ per cent. War Bonds of 1928.



The report for the twelve months ending 31st March, 1918, of the working of the Co-operative Housing Association, Bombay,

shows that the interest of the people on the housing question has been aroused to a greater extent than previously and three large housing schemes on co-operative lines are in course of formation ; one by the G. I. P. Railway Co. for its employees, the second by the Hindus of Bombay, and the third by the Roman Catholics of Salsette. Existing societies have acquired lands in the suburbs and cottages are being constructed on garden suburb lines for poor middle classes.



The seventh annual report on the working of the Bombay Central Co-operative Bank affords an indication of the extent to which industrial capital can be utilised in assisting and encouraging agriculture. During the year loans aggregating nearly Rs. 30 lakhs were advanced to agricultural co-operative societies. How great and increasing is the need for transference of capital from the markets of Bombay to the districts to assist agriculture may be realised from the fact that while in the previous year loans to societies amounted to Rs. 22 lakhs, in 1913 they aggregated only Rs. 12 lakhs, thus showing an increase of Rs. 18 lakhs in five years. The money required for this purpose had been drawn mostly from Bombay.

## THE BENGAL CO-OPERATIVE ORGANIZATION SOCIETY.

---

"The Bengal Co-operative Organization Society welcomes the support of all who are convinced of the great benefits of the co-operative system. It already numbers among its members some of the foremost personalities in the business world of Calcutta, and representatives of the land-holders of the Presidency. In other words it is a live organization which is going to make its activities felt far and wide."—H. E. Lord Ronaldshay's Message.

1. Æsop's famous fable of the Bundle of Sticks illustrates a great truth *viz.*, Union is strength : this applies equally to the social, political and economic life of man. The economic application of this truth is to be found in Co-operation which is nothing but the union of all for the benefit of each. Thus, if an individual goes to a *Mahajan* for a loan on his individual credit, the *Mahajan* will demand a prohibitive rate of interest and the needy borrower will have to pay whatever rate is demanded of him. But if a number of individuals combine together and jointly pledge their credit they will be able to raise sufficient funds for the purpose of lending out among themselves on cheaper terms than each would obtain by pledging his individual credit—is this not a case of union of all for the benefit of each? and does this not show that "Union is strength"?

2. In the previous paragraph we have implicitly described what a co-operative credit society is; to be more explicit, in a co-operative credit society several honest but poor men combine to furnish a collective personal guarantee by which they are enabled to secure money at lower rates of interest than they could obtain individually. India's population consists mainly of agriculturists whose poverty and honesty are undoubted facts : since the initiation of co-operation in India by the Government in 1904 about 20,000 co-operative credit societies have been started amongst the agricultural population of India.

3. These societies save the agriculturists of India from an

absolutely unnecessary burden of at least ten lakhs of rupees for every crore of rupees lent out by Co-operative Societies. With their aid hopeless debt has been appreciably reduced and the *Mahajan's* power has been curtailed; agriculture and industry have been developed, and the villages in the poorest tracts have started on the road to prosperity; the illiterate man has turned towards education and the drunkard has been reclaimed; the middleman has had his scope restricted to legitimate limits, the raiyat is getting better value for his produce, and is consequently better able to pay his rent; village life has been stimulated by associated action and by the business education of the bank; punctuality, thrift and mutual confidence are being taught; litigation has decreased and morality has improved; activity has taken the place of stagnation and routine; associated action has replaced mutual distrust.

4. Though we have in India now about 20,000 co-operative credit societies, the number will not appear to be large when it is remembered that these 20,000 societies are the only co-operative agencies to finance 220 million agriculturists, there being thus one co-operative credit society for every 11,000 of the population engaged in agriculture. There is thus ample scope for expansion.

5. But before there can be more societies, an informed and genuine demand has to be created and prospective members of a co-operative society must have a proper understanding of the principles of co-operation. And it is here that the need for a wide and active co-operative propaganda becomes evident.

6. To do this propagandist work amongst the educated public and to spread amongst the rural classes a knowledge of the true principles of co-operation a society called the Bengal Co-operative Organization Society has been recently started in Calcutta (at 6, Dacre's Lane, off the Esplanade Tramway Terminus) with Sir Daniel Hamilton as President, Mr. J. T. Donovan, I.C.S., Registrar, Co-operative Societies, Bengal, as Vice-President, Prof. P. Mukherji of Presidency College as Hon. Secretary and Treasurer and Mr. G. S. Dutt, I.C.S., Mr. I. B. Dutt, Khan Bahadur Ataur Rahman, Mr. A. F. M. Abdul Ali, Prof. J. C. Coyajee, Mr. Asaduzzaman, Mr. E. A. Watson, Babu Muralidhar Das, Babu Debendra Nath Mukherji, Babu Satis Chandra Bhatta-

charya, Babu Bhairabnath Banerji, Babu Jatindra Krishna Ghosh, Babu Nirendra Nath Bose, Babu Hem Chandra Sircar, and Babu Naba Gopal Bose, as members of the Executive Committee.

7. The Society consists of Patrons (paying Rs. 500 and upwards), life-members (paying Rs. 100), ordinary members (paying Rs. 10 per annum), student members (paying Re. 1 per annum) and affiliated societies consisting of limited liability societies paying Rs. 5 per annum and unlimited liability societies paying only one rupee per annum.

8. The society is doing its propagandist work mainly by means of the English and Bengali Co-operative Journals. The English Journal—*The Bengal, Bihar and Orissa Co-operative Journal*—is edited by Professors J. C. Coyajee and P. Mukherji of Presidency College and the Bengali Journal—*Bhandar*—is edited by Mr. Tarak Chandra Ray, Joint Registrar, Co-operative Societies, Bengal. It will also (1) organize a Central Library of co-operative literature in Calcutta; (2) publish and distribute leaflets and pamphlets containing valuable information; (3) assist the Co-operative Department in organising special lectures for honorary organizers, employees of societies, and others; (4) organise public lectures on co-operation; (5) send out organisers to speak or give advice; (6) further combined action among societies in every possible way for the advancement of common interests; (7) suggest model rules for new kinds of societies; (8) act as an information bureau for affiliated societies and the public and, if possible, (9) organise and maintain exhibitions depicting the progress and activities of co-operative societies.

9. The society will also try to educate the public regarding the various applications of the principle of co-operation to meet the diverse wants of our people. Co-operation not only provides cheap money to the needy man but also helps him in various other ways. There are not only co-operative credit societies, but also—

(a) Co-operative Grain Banks to create a store of paddy to be lent out to members only for seed grain, maintenance, and for repayment of paddy debts at higher interest, and to create a reserve stock for any unforeseen emergencies such as famine and scarcity.

(b) Co-operative Agricultural Sale Societies to assist the members in the disposal of their crops and of the products of agricultural industry carried on by them and to enable the members by means of joint sale to obtain better value for their crops and products.

(c) Co-operative Cattle Insurance Societies to insure the members against loss by the death of cattle from disease, accident or otherwise.

(d) Co-operative Supply and Sale Societies—

- (i) to carry on the trade of dealers ;
- (ii) to purchase in common agricultural requisites, such as manures, seeds, etc. ;
- (iii) to procure machines and other objects of utility on common account for the use of the members of the society ;
- (iv) to manufacture any articles dealt in by the society, if approved by the General Meeting ;
- (v) to assist the members in the disposal of their crops and the products of agricultural industry carried on by them.

(e) Fishermen's Co-operative Societies—

- (i) to raise funds by way of loans, deposits or otherwise by making use of the combined credit of the members ;
- (ii) to grant cash advances to the members for necessary purposes at a moderate rate of interest ;
- (iii) to purchase improved fishing appliances to be sold or to be hired out to its members ,
- (iv) to arrange for the disposal of the catches of the members when necessary ;
- (v) to accept deposits from members in order to stimulate the habit of saving ;
- (vi) to arrange for direct leases of fishery, where possible ; and generally,
- (vii) to do all such things as are conducive or incidental to the attainment of the said objects.

(f) Co-operative Dairy Societies to advance loans to the members for enabling them to purchase and maintain milch animals, to assist them to produce pure milk products, to secure a

# Form of Application for Membership of the B. C. O. Society.

---

To

PROF. P. MUKHERJI, M.A., F.R.E.S.

*Hon. Secretary, B. C. O. Society,*

*6, Dacre's Lane, Calcutta.*

Please enrol\*

as †

of the Bengal Co-operative Organization Society. The  
annual subscription of Rs. is sent herewith.

*Name (with designation and titles)*

*Address*

*Date*

19 .

---

\* Please write here the word *me* (in the case of ordinary and student members)  
or the name of the Society (in the case of Affiliated Societies)

† Please write here the words "An Ordinary Member," "An Affiliated Society"  
or "A Student Member," as the case may be.



steady and profitable market for their dairy products and generally to develop dairying on proper lines.

(g) Industrial Co-operative Societies such, for example, as Weavers' Societies—

- (i) to raise funds by way of loans, deposits or otherwise by making use of the combined credit of the members;
- (ii) to grant cash advances to the members for necessary objects at a moderate rate of interest;
- (iii) to purchase raw materials required for the weaving industry at wholesale rates and to retail the same;
- (iv) to purchase improved machinery to be sold or to be hired out to its members;
- (v) to buy and retail improved dyeing materials;
- (vi) to arrange for the disposal of the finished products of the members or to assist the members in finding markets for the same; and generally,
- (vii) to do all such things as are conducive or incidental to the attainment of the said objects.

(h) Co-operative Store Societies—

- (i) to purchase the necessities of life for retail to its members;
- (ii) to carry on, in common, trade, both wholesale and retail, for the benefit of its members (we invite the attention of our readers here to the formation of the Calcutta Consumers and Co-operative Home Industries Purchase and Sale Society Limited at 197, Cornwallis Street, Calcutta).

(i) Co-operative Housing Societies of which there are four varieties, the one commonly found being co-partnership building societies (of which a few have been started in Bombay) to carry on the trade of building, and of buying, selling, hiring, letting and developing land for building and to establish and carry on social, sanitary and educational work in connection with the tenants.

(j) Co-operative Union Dispensaries (of which up till now there is one in Bengal and one at Fathwa in the District of Patna)—

- (i) to render medical aid to the members.

- (ii) to supply medicines free of cost to its members and
- (iii) to provide medical assistance to the people at a moderate expense.

and various other kinds of societies which are flourishing in European countries but which have not yet been started here in India.

10. Those who join the society will be kept fully informed of the progress of the co-operative movement not only in the various Indian Provinces but in all parts of the world through the Journals, the library, the exhibits, the lectures, the leaflets, etc.

The society offers special advantages to the rural co-operative societies and to the students. It is mainly for the benefit of the rural societies that the B. C. O. Society has been formed. It is they who are our main objects of attention and care. But we also want to interest our students in the Co-operative movement. For the nominal subscription of Re. 1 only they will get the Bengali Journal and the leaflets free and will be allowed to use the Society's library of co-operative literature. It is to be hoped that the students—especially students of economics—will at once join the society and avail themselves of this opportunity of equipping themselves with a sound and up-to-date knowledge of co-operative principles and activities.

11. We invite all—Zemindars and ryots, officials and non-officials, Hindus and Mahomedans, teachers and students, merchants, lawyers, doctors—to join our Society and help forward the greatest and the most potent modern economic movement in India and thus introduce their less favoured fellowmen to the blessings of a full economic life.

*List of gentlemen who have joined the B. C. O. Society  
upto the end of June, 1918.*

**PATRONS :\***

1. Sir Daniel M. Hamilton, Kt.
2. Sir Archy Birkmyre, Kt.

**LIFE-MEMBERS :**

1. Mr. E. A. Watson (Messrs. McLeod & Co.)
2. The Hon'ble Kumar Shib Shekhareshwar Roy
3. The Hon'ble Mr. W. A. Ironside (President of the  
Bengal Chamber of Commerce)
4. Mr. Surja Kanta Roy Chowdhury (Zemindar, Taki)
5. Sir Rajendra Nath Mookerjee, K.C.I.E. (Messrs. Martin & Co.)
6. Mr. Henry Harris (The Chartered Bank of India, Australia & China)
7. Mr. A. Cameron (Messrs. Mackinnon, Mackenzie & Co.)
8. Mr. C. W. Rhodes (Messrs. Hoare, Miller & Co.)
9. Maharajah Kshaunish Ch. Roy Bahadur of Nuddea.

**ORDINARY MEMBERS :**

1. Mr. J. T. Donovan, I.C.S. (Registrar, Co-operative Societies, Bengal)
2. Mr. I. B. Dutta (Comilla)
3. Prof. J. C. Coyajee (Presidency College)
4. Mr. Chimanlal Kuberdas Shah (Hon. Organizer, Khaira,  
Gujarat, Bombay)
5. Prof. A. C. Sen Gupta (Presidency College)
6. Babu Satis Ch. Bhattacharya, B.L. (Secy. Nilphamari Central Bank)
7. Prof. P. Mukherji (Presidency College)
8. Mr. G. S. Dutt, I.C.S. (Collector, Birbhum)
9. Mr. A. F. M. Abdul Ali (S. D. O., Mymensingh)
10. Babu Umesh Ch. Chakladar (Hon. Organizer, C. S., Mymensing)
11. Khan Bahadur Aatur Rahaman (Jt. Registrar, C. S., Bengal)
12. Babu Muralidhar Das (Chief Auditor, C. S., Bengal)
13. Babu Nirendra Nath Bose (Inspector, C. S., Bengal)
14. Mr. N. M. Ross (McLeod & Co.)
15. Babu Debendra Nath Mukherjee (Circle Officer, Bolpur)

---

\*Babu Gopal Das Chowdhury, Zemindar, Sherpur, who is an Ordinary Member of the Society, has since promised to become a Patron.

16. Rajah Peary Mohan Mukherjee, C.S.I. (Uttarpara)
17. Rai Nitya Charan Nag Bahadur (Hon. Organizer & Assistant Secy.  
Berhampur, Central Co-operative Bank)
18. Mr. K. C. Dey, I.C.S. (Commissioner, Chittagong)
19. Babu Hem Chandra Sircar (Additional Inspector of Schools)
20. Babu Bhairab Nath Banerjee (Birbhum)
21. Babu Naba Gopal Bose (Hon. Organizer, C. S., Howrah)
22. Asaduzzaman, Esq. (Jt. Registrar, C. S., Dacca)
23. Babu J. K. Ghose (Inspector, Industrial Co-operative Societies)
24. Babu Kamala Prasanna Roy (Secy., The Cential Co-operative  
Bank, Rampurhat)
25. „ Romesh Ch. Sen, (Talukdar, Mymensingh)
26. „ Nirmal Shib Banerjee (Hon. Magistrate & Zemindar, Birbhum)
27. „ Kshitish Ch Mitra (Zemindar, Suri)
28. „ Radha Kamal Mukherjee (University Lecturer)
29. Kumar Manindra Ch. Sinha (Paikpara)
30. Babu Jogesh Ch. Datta (Deputy Magistrate, Rungpur)
31. „ Gopal Das Chowdhury (Zemindar, Sherpur)
32. Mr R. Langford James (James Finlay & Co.)
33. The Hon'ble Mr W. R. Gourlay, M.A., C.I.E., I.C.S.  
(Private Secretary to H. E. The Governór)
34. Mr. V. S. Edwards (Messrs. George, Henderson & Co.)
35. Rai Rajani Bhusan Mukherji Bahadur (Zemindar, Kundola, Birbhum)
36. Babu Rama Prasanna Mukherji (Zemindar, Birbhum)
37. Mr. M. J. Calvocoressi (Messrs Ralli Bros.)
38. Babu Shyamalananda Mukherji (Pleader, Rampurhat)
39. Mr. R. F. Lodge, I.C.S. (S. D. O., Asansol)
40. Rai Bahadur Dr Chuni Lal Bose, I.S.O., M.B., F.C.S.
41. The Hon'ble Mr. W. E. Crum, O.B.E.

#### AFFILIATED CENTRAL BANKS :

1. Birbhum Central Co-operative Bank
2. Gopalganj Central Co-operative Bank
3. Madaripur Central Co-operative Bank
4. Rungpur Central Co-operative Bank
5. Pabna Central Co-operative Bank,
6. Chandpur Central Co-operative Bank
7. Kurigram Central Co-operative Bank

For all information regarding the B. C. O. Society please write  
to the Secretary, B. C. O. Society, 8, Dacre's Lane, Calcutta.

## RURAL CREDIT IN SASKATCHEWAN

---

[By H. CALVERT, ESQ., I.C.S., *Registrar, Co-operative Societies, Punjab*]

Towards the end of 1912 the Legislative Assembly of the Province of Saskatchewan authorised the expenditure of some Rs. 15,000 on each of two enquiries, "to provide for examination into ways and means for bettering the position of Saskatchewan grain on the European markets" and the other "to provide for inquiry into ways and means for establishing agricultural credit." The commission for the latter subject made local inquiries in Canada and further sent representatives to join the American Commission which visited Europe. Their report was published in 1913. In it the Commissioners relate that at an early stage it was borne in upon them that the problem was larger and more intricate than that of merely procuring cheap money for farmers, they found themselves concerned with a question no less fundamental than the entire problem of rural life. Agriculture, being unorganised, suffered in competition with industries that were highly organised and in every country in western Europe, they found that the farmers were organising along the same lines, namely the application of the co-operative principle to agricultural production, distribution and finance; and further, it was found that everywhere this led to the educational development of the individual and the progress and integration of rural society. Farmers were becoming articulate and agriculture was emerging from its position of subordination to commerce and industry and was attaining to its proper place in the councils of statesmen. Under the teachings of modern science it was becoming a serious business and like every other business it required capital either as ready-money or credit.

Careful study of the problem of agricultural credit showed it to be one which could not be solved by any one borrower or any one community but it required united resources and united action

*if adequate security was to be forthcoming to attract a permanent supply of funds at favourable rates. At the same time it had to be recognised that credit was double-edged, it might help if wisely used, it might destroy unless it were coupled with proper restrictions. The commissioners recognise that what is needed is not more but better credit; indiscriminate credit is not desirable, even combined credit provides insufficient safeguard and so it is co-operative credit that is required. This might be mortgage credit or personal; and enquiry was made into these two forms. It was considered that to enable a farmer to make a reasonable profit from the use of borrowed money, the rate of interest should not be higher than six per cent. whereas actually it was 8 per cent. on mortgages and this rate was slowly rising. Moreover in addition to the interest, there were incidental expenses for drafting the deeds, solicitor's fees, registration expenses, duty, etc., so that borrowing on a mortgage was not a cheap affair. In the province, nearly 80 per cent. of the farms were mortgaged but the debt was generally incurred for purchase of land, for buildings, implements and improvements and there was a general feeling that any increased facilities should be confined to loans for productive purposes. On the question as to whether the issue of the loan should be followed by an inspection to determine whether it had been properly expended, it was considered that the farmers would not like it though it would be to their interest. Personal credit was of two kinds, bank loans and dealer's credit. The banks had undoubtedly until recently afforded abundance of credit and had extended their business to centres which yielded insufficient profit to cover expenses and moreover they had exerted an educative influence upon the business habits of the community and served to inculcate the virtue of promptness. On the other hand there were the usual complaints that the rate of interest on loans was too high while the interest allowed on deposits was too low, that their sympathies rested with the commercial class and that when any shortage of money occurred they first withdrew credit from the farmers. In the absence of sufficient credit from the banks, farmers were unable to carry on their business with merchants on a strictly cash basis and in consequence there was a tendency to deal on credit. The*

*implement dealers encouraged this as they made a profit out of the credit as well as out of the sale of their goods and the total sum owed to these was found to be very high indeed. Fortunately the province is in its infancy, the people possess resourcefulness, strong determination, willingness to work, courage and energy and there is no need to feel any alarm at the burden of debt incurred. The question was how to set about the task of placing these sturdy farmers in a sound financial position. Saskatchewan is landlocked and hence is much at the mercy of authorities outside its boundaries. Exports had a long journey by rail and sea to the markets and its needs were administered to by manufacturers in other provinces. The problems of agricultural credit could not be solved apart from the general question of markets. It would be little good providing money if the farmers bought dear and sold cheap. The first thing necessary was organisation, organisation of producers and of consumers, of purchases and sales, of marketing and of distribution and this organisation must proceed on co-operative lines. The commission accordingly recommended that the province should establish financial institutions of its own, working with a minimum of profit and so able to encourage thrift by offering reasonable interest on deposits and at the same time offering cheap credit on ample security. The corner-stone of the system must be security. "The first and greatest commandment must be to avoid risk. . . The only basis for cheap credit is the security that cannot be questioned. Without that the farmers of this province cannot secure money at favourable rates; with that they can challenge the money markets of the world". . . . They accordingly proposed the establishment of a central commission, in the first place appointed by Government, to control, organise and direct the new movement. Below would be local societies with collective liability and from these and other agricultural associations would be formed an Advisory Board to keep the central commission in touch with rural needs. Money was to be raised by mortgage bonds, based not on the property of the individual borrower but on the whole property of the members of the society so as to encourage efficient supervision. The security thus offered would be rendered still more safe by other conditions. The total sum*

borrowed cannot exceed the mortgages taken up, and the mortgage money will not go beyond a fixed proportion of the value of the property : the loan must be devoted to a productive purpose or to improvement of the land mortgaged and all profits must go to a reserve fund which serves as further security. To enable a satisfactory start to be made the Provincial Government was to guarantee the bonds issued and was to take measures to have the mortgage bonds included in the list of British trustee securities. The system of co-operative farm mortgage association recommended was not, however, considered final. The ultimate solution must be the establishment of co-operative credit associations on Raiffeison lines. Unfortunately the war intervened and led to the abandonment of part of the scheme. The result of the report was the enactment of a Farm Loans Act (1917). It set up a farm loan board appointed by the Lieutenant-Governor consisting of one Commissioner who also is to be the paid official managing member and two others without salary. This Board is to borrow money and lend to farmers on the security of first mortgages, the money will be borrowed from the provincial treasurer who in turn will raise it as a loan secured upon the resources of the province.

The initial expenses will be paid from general revenues but the Board is expected to recoup this as and when it can. Loans are to be for a period of thirty years and will be repaid on a regular amortisation plan with equal annual instalments but any borrower may repay in a shorter period. The system is very similar to the Indian Takkavi system. The co-operative element has for the time-being been omitted and this must be regarded with some disappointment in view of the strong advocacy of this element in the Commissioner's Report. We can only hope that with a return to more normal conditions after the war the recommendations of the commission will bear richer fruit.

## AGRICULTURAL CO-OPERATION

---

[ By KHAN BAHADUR MOHI-UD-DIN AHMED, *Offg. Registrar,  
Co-operative Societies, Bihar and Orissa* ]

The excellent article by Mr. B. A. Collins, I.C.S. in the January number of the Bengal Co-operative Journal should stimulate thought on this profitable type of co-operation. The credit societies have done the preliminary work of establishing the life-giving plant of co-operation on the soil of India. Like the fruitful vine it has spread and is spreading its branches throughout India till the Agricultural societies alone in 1915-16 numbered 18000 odd. This represented the result of 12 years. Co-operation is therefore no more in the experimental stage and it may be taken as proved that the plant is not unsuited to the soil. But it is becoming clear to many who have devoted thought to the matter that the credit societies by themselves cannot save the raiyats and raise them from the slough of indebtedness. On the other hand signs are not wanting that indebtedness has increased to some extent. The facilities for borrowing which co-operative societies provided has had the tendency to reduce the incentive to thrift and instead of saving for emergencies as they did before, they are inclined to rely on their right to borrow. Before these facilities were provided, a cultivator who had to replace a dead animal tried to save up from his ordinary expenditure. Now he merely applies for a loan which he is almost certain to get. Of course these dangers can be overcome by education and proper control but the dangers are there and give one an indication how the credit societies at best serves in practice only a negative purpose. It has helped in reducing interest charges but it has not increased the productive power of the raiyats. The capital required is obtained at a cheaper rate of interest, but not turned to more profitable use. The more vital need is to find out ways and means for improving the outturn of the land both in quality quantity and for obtaining better price for their raw produce.

It cannot be considered too early therefore to think of higher and newer types such as agricultural co-operation. The question therefore which naturally arises is what form would such co-operation take? What organization is likely to effect the most favourable changes in the economic condition of the people? In this article I would endeavour to contribute some thoughts on the dangers and difficulties of this particular type and suggest the directions in which we are likely to achieve the greatest success. But it is as well that I should make it clear that my remarks apply to Bihar only and that the suggestions offered are those of a layman who claims no special knowledge about scientific agriculture and has no previous experience of agricultural co-operation. They represent merely the ideas of an earnest student of rural economy who has spent some thought on the subject and wishes to place them before other co-operators.

The first agricultural association started in Bihar has for its objects the following :—

- (1) To arrange for the supply of seed, manure, implements, etc., for its members.
- (2) To undertake the sale of its members' produce in bulk.
- (3) To enter into any other business calculated to assist its members in the cultivation of their land.

Let us consider the objects in detail. As regards the supply of seed, it is necessary to remind readers of the fact that the Indian cultivator is, by the habit of generations, his own seedsmen. So long as the demand for new varieties of seed such as Pusa wheat or Indrasail paddy can be created in new areas, the association will be able to supply a want, but in a few years the area will cover the maximum acreage attainable under the particular crop and thereafter the demand will rapidly fall off as the cultivators are bound to keep their own seed. The association may of course deal in selected seeds but I don't think this can be done without the help of professional seedsmen and it is doubtful whether the members would care to purchase their seeds from the association when they have their own supply at home. Even if some cultivators did so, it is conceivable that the seed supplied by the association might prove to have less germinating power than the cultivators' own seed—a fact, which would bring

discredit on the association. If the association therefore stores seed it will have to be extremely careful to see that the seed collected from the villagers are the best and that they are not mixed with inferior varieties for it is well known that the ordinary raiyat is very careless about this matter and usually does not take the trouble to separate the good from the bad but threshes his entire crop consisting of good, bad and indifferent grains on the same threshing floor. But even if the association elects not to sell seed, it can perform an extremely useful service by instructing the members in the art of selecting seeds and take steps to see that the best varieties are, as a matter of fact, preserved as seeds. In this work it will of course have to take the help of the Agricultural Department. If it succeeds in this object, it could confidently hope to perform the second object, viz., of undertaking the sale of its members' produce with good chance of success.

As regards implements, it will be a long time before any suitable implement can be discovered which would replace those in use now. The various difficulties presented by the nature of the soil, divisions of plots or the local breed of cattle, appear to be too great to admit of an early solution. The case of manure appears at present to offer the best prospects inasmuch as manures are required to be purchased each year and the demand for them may be expected to be continuous. Though at present there has not been much research regarding the suitability of different manures for the various crops, this is a subject in which scientific advance can be expected in the near future. There are besides some manures, such as the castor-cake for potato, which have already established their reputation. It should be the business of the Agricultural Association to *create* a demand in these directions for one of the most discouraging feature of agriculture is that the Bihar raiyat is extremely conservative and being content with little, will not take up new ideas without persistent hammering. The manure referred to is chiefly used for the potato crop and if the Association wishes to extend its usefulness it would have to introduce this paying crop in villages where it is not known. But the extension of this crop itself presents a formidable obstacle. This consists in the difficulty

of preserving seed. I know it as a matter of fact that hundreds of cultivators have abandoned the cultivation of this valuable crop simply because they cannot preserve seeds. To buy the seed for cultivation involves a prohibitive cost to the ordinary raiyat as the cost of seed works out to Rs. 35 to Rs. 50 per bigha. If the Co-operative Agricultural Association can enlist the active support of the Agricultural Department in propagating effective methods of potato seed preservation, by this means alone they would add lacs of rupees to the income of the cultivators.

The second object of the Association is sale in bulk of the members' produce. This is a business which should be undertaken by the Association with great caution. It must be recognised that it is not easy to compete with Banias and Marwari traders with their hereditary knowledge regarding trade. The market should first be ascertained and only such quantities should be taken up as the Association will be able to sell at a good margin of profit. The association should not undertake any risky operation on a large scale. There is prospect of success in this business if the association can grade its commodities and arrange with big buyers for sale in bulk. For, instance, it is a notorious fact that Indian wheat fetches low prices because it is mixed up with dirt and other cheap grains. If the association can guarantee the purity and quality of its supply it is bound to have a good market for its commodities.

The third object is more comprehensive but I would like to see two other objects especially in the bye-laws. These are :—

- (i) to advise and assist the members to carry on their cultivation on lines calculated to bring in the maximum return.
- (ii) to enter into and encourage any other business in connection with the raw agricultural produce of its members calculated to improve their economic condition.

The first of these two objects appears to me to be extremely useful and all Co-operative Agricultural Associations should not only have as a prominent object the introduction of improved methods of agriculture but should perform the work of an advisory board to instruct the members how to obtain the highest income

from their lands *by a proper distribution of crops and an effective organization of their limited resources*. For example one who has seen the intensive cultivation round big towns like Bankipur, Gaya and Bihar towns and even Ranchi (where the soil is so poor) will readily appreciate the vast possibilities which the introduction of intensive cultivation throws open to the Co-operative agricultural associations. It is painful to see how dependant the cultivators are on the uncertain rainfall when it is possible for them to be independant of it at least in part by tapping the vast underground supply. With the aid of such mechanical lifts as the Persian wheel fitted with small oil engines, well irrigation is capable of revolutionizing the Agricultural Industry in Bihar. If the raiyats combine they can easily obtain the necessary capital to sink the wells as well as employ these mechanical lifts. It should be the object of the Agricultural Association to encourage these forms of co-operative effort. By a wise direction as regards the distribution of the different kinds of crop and proper instruction as regards the special needs of each, the members' condition can be changed, I believe, from perpetual want to one of comfort and wealth. To give an example—if a raiyat has 12 bighas of land he should set apart 4 bighas for intensive cultivation and may leave the remaining 8 bighas for the paddy which is so dear to his heart. He should then combine with other raiyats and sink an ordinary well capable of serving 20 bighas. There is no need to have the well sunk through the help of the District Board or the Public Works Department for that would only mean doubling the cost. A good pucca well, when sunk under the raiyats' own supervision, will cost about Rs. 400 only i.e., the initial cost of providing for the irrigation of a bigha of land is only Rs. 20. This amount the raiyats can borrow at special rates say 12½%, as allowed in the societies in Nawada, and he would easily be able to pay off the loan with interest in 5 years, out of the increased outturn of his lands. Once you have got an adequate supply of water the cultivation of one or more of the paying crops like sugarcane, chillies, tobacco, onion or potato may be undertaken and it would fetch a net profit of Rs. 100 per bigha which is equal roughly to the income of 5 to 10 bighas of paddy land. These other crops can be grown without any danger

of failure as they would then not have to depend on the uncertain monsoon. The small quantity of organic manure available in villages should be reserved for the area employed for intensive cultivation instead of being wasted by scattering it over a large area in altogether insufficient quantities. The capital needed for all agricultural improvements is now available to members of co-operative societies and where the return is sure, it is folly to neglect its use.

Such subsidiary sources of income as dairying and poultry breeding should also be encouraged by all possible means. In Holland the cultivators who could not at one time maintain themselves on the income from the land, are now considered to be of the most prosperous in the world by taking to cattle and poultry breeding and dairying. A great deal of economy can also be effected by the systematic instruction of members on the disadvantage of maintaining a large herd of poorly fed cattle instead of fewer of better breed. These semi-starved animals naturally fall an easy prey to epidemics and carry away with them more valuable stock. This is especially true in respect of cows. It is absurd to keep 10 cows giving a p<sup>ow</sup> of milk each as people do in Orissa. One cow could be kept of a good milk yielding breed with less cost and more profit. The members should be persuaded to keep instead of several cows of different kind only one or more cows, as their means permit, of good breed. This will cost them much less in their maintenance and bring them more valuable calves. Those that can be induced to take to dairying should keep buffaloes for milk. The use of cream separators for butter and ghee should also be encouraged. All this appears to me to be within the range of immediate possibilities. It may be admitted however that this opinion is not based on practical experience in the matter of cattle breeding and the raiyats' hesitation to try an expensive experiment may be sympathized with. But the subject is worth examination and I certainly think that as a business proposition it ought to pay the cultivators to keep expensive cattle for otherwise there would now be no good cattle in India. In any case the difficulty about the want of capital has been met by co-operative societies and it is the duty of co-operators to direct the fertilizing stream of credit

towards such productive channels as I have indicated. The difficulty about the want of sufficient pasturage can be overcome by growing special fodder crops and extending in each village the practice of storing fodder in Silos. In Holland all the cattle are stall fed and animals are not taken out of their sheds for 9 months in the year. To improve the whole village herd good breeding bulls will have to be distributed and my suggestion is that every Guarantee Union be provided with one. It is quite easy to maintain these bulls. Only in the beginning the bull needs to be provided with special food. As soon as he gets familiar with the village herd, he can be allowed to roam at large without any fear of his wandering away from the prescribed area. What I suggest is that each Guarantee Union should have one or more good bulls. The members should eliminate weak and useless cattle and instead keep good cows and buffaloes, the former for improving the stock of draught cattle and the latter to increase the supply of milk. They can then combine and use cream separators and turn out such finished products as butter and ghee. Agricultural shows of the kind recently suggested by the Director of Agriculture will also act as an additional incentive for better breeding. In these shows only calves produced by the bulls supplied by the Agricultural Department were exhibited with excellent results. But all these efforts will have to be supplemented by active help from Government and in my opinion Government should have a definite policy in this direction for propagating a good breed of cattle suitable to the climate and condition of Bihar.

As regards the second object suggested by me, I have in mind a particular line of activity which, if developed, would, I am sure, add considerably to the income of the cultivators. This is an organization among the producers themselves to have their raw materials converted into finished products. I am thinking of a co-operative mill. At present the mills have it their own way and there is not even any competition among different firms to raise the price of raw produce. The few mills are the only purchasers and they dictate their own price. Jute, tobacco and sugar all suffer from the same disadvantage and the only way to protect the cultivators is to make them partners in the mill so that they may participate in the profits. In my opinion a

co-operative mill should be organized in every sub-division where there is a Central Bank. The constitution will be somewhat as follows :—There will be two kinds of shareholders—preference and ordinary. The preference shareholders will be zamindars and well-to-do residents of the sub-division and the ordinary shareholders members of co-operative societies. The object of the mill will be to buy off all the raw materials of the locality it serves. It will endeavour to get these supplied direct without the aid of middlemen. The producers will immediately get the market price for their produce. The mills will husk paddy, press oil, grind wheat and in time make jute cloth in jute areas. It will maintain a high standard of purity in the articles supplied to the public and will therefore be able to command a high price for its goods. These mills will also facilitate the formation of Co-operative Stores and make them when started a success. One of the essential characteristics of such stores is the genuineness of the articles it supplies and the difficulty of procuring unadulterated articles has been a very great stumbling block in the way of co-operative stores. The articles turned out by the mills will be sold at the best market and if necessary even in foreign countries. The bye-products such as oilcakes and bhusa (bran) will remain in the locality and be available for manure and fodder at reasonable rates. Bone crushing may also be undertaken for extending the use of bonemeal for manurial purposes. The profits after the statutory allocation to Reserve will go to the payment of a moderate dividend on shares and then will be distributed in the shape of a bonus to the ordinary members in proportion to their respective supply. It will also make the present members more attached to their society, as so long as a society conducts its work well its members will get better prices for their crops. Considering that the middlemen's profit will be eliminated altogether it only stands to reason that the cultivators will be able to earn a substantial bonus. This in return is bound to encourage the formation of co-operative societies, for these benefits will be open to members of societies only. If the idea materializes I can foresee nothing but success from the business point of view. When the producers become partners in the mill and when all middlemen are eliminated, the venture must pay and I estimate that the producers

will ultimately get 25% to 50% more value for their produce than they receive now. The consumers will obtain reliable and absolutely pure articles for their price. The producers will save all the profit that now goes to middlemen. The exploitation of the cultivators by the capitalist mill owners for their own benefit will be discounted and the system under which capitalists on the one hand continue to earn enormous dividends and the cultivators on the other struggle to maintain a precarious existence, failing not unfrequently to recover for their raw produce even the cost of cultivation, will be discredited altogether. Capital and labour will kiss each other; zamindars and raiyats too will have something in which they can take common interest and all round it will infuse new life to the area and give an impetus to industrial activities that is so badly needed at the present time.

## **DIFFICULTIES OF DEBT REDEMPTION AMONG URBAN LABOURING CLASSES**

[By MR. G. K. DEVADHAR, M.A., *Joint Honorary Secretary,  
Debt Redemption Committee, Bombay*]

*A paper submitted to the First Bombay Co-operative Conference.*

The scheme for redeeming the indebtedness of the labouring classes in cities by means of co-operation may be said to be a unique idea and peculiar to the Bombay Presidency alone, considering the scale of its work in that Presidency.

2. That the labouring class in industrial cities is becoming increasingly numerous and heavily debt-ridden and is therefore entitled to claim co-operative facilities equally with the agriculturists can hardly be doubted. But while it has been found easy to grapple with the problem of agrarian indebtedness the problem involved in organizing the credit of the labourer, pure and simple, presents enormous difficulties. The former class has some sort of a substantial assets to depend upon which entitles him to obtain credit comparatively on easy terms, and can be helped further to augment his income by better agriculture and better business. In the case of the labourer in cities his business is necessarily limited while his impecuniousness involves an unduly high charge of interest on his income which in addition is severally taxed by the better but more costly style of living necessitated by his residence in a civilized community and exposure to a variety of temptations for a luxurious life.

3. The terms on which a labourer in difficulties is required to borrow money as his initial capital requisite for starting life on arrival from his native place are extremely prohibitive, the rate of interest ranging even as far as 150% and never less than 75%. It is an interesting study to note the stages of his indebtedness. This has the effect of forestalling all his future chances of welfare and he is forced to become from the very beginning an unwilling

slave of the money-lender who continues to retain his hold on him almost to his dying day.

4. That co-operation really does and ought to help, a labourer in improving his situation nobody would deny. But although it is now a fashion to call a combination for mutual help as the only means by which liberation of labour from the shackles of usuary is possible, no credit, unassisted by property has been found quickly acceptable in the ordinary market, and this fact may be cited as one of the first difficulties in attempting a scheme for a prompt and substantial redemption.

5. "A combination of men and not money;" "One for all and all for one"; and such other familiar postulates are seldom found to be of much worth in the peculiar circumstances in which the labouring class in cities is at present situated. The labourers can hardly yet be called a class itself. It is a loose and heterogenous mass of manual workers collecting in cities for individual profit, with no education to create an *esprit de corps* and crystallize into distinct lines, and unfit by want of education to understand and avail themselves of a combination to enable them to acquire strength and mutual protection and thereby to solve the present difficulties and build a prosperous future for themselves and their posterity.

6. It can, however, be safely said that in spite of the factor of instability of some portion of the labour population of cities a substantial number of people are gravitating to form a stationary labouring class and it is for such labourers that any scheme on a co-operative basis can be of use. The mill-hands are becoming a class by itself and statistics collected in Bombay tend to show that they are a class amenable to a co-operative combination with due safeguards of selection by proximity of residence, employment in the same mill, or recruitment from the same native place or its neighbourhood and steady employment. Thus any person interesting himself in this line of co-operative work is faced with two difficulties at the outset. The first is to find and collect fit individuals for combination and the second is to find capital, to extricate them from debt and help them to proceed with their business. Capital obtainable for this work is necessarily limited in its magnitude because it is not assured by any real assets. It

has to be obtained with greater difficulty and at higher rates of interest because money so invested does not bring returns readily to appeal to the investor. The second difficulty is to group people desirous of co-operation into suitable combinations so as to secure good results with less labour, less risk and less cost consistent with efficiency.

7. The investor in such ventures, therefore, must be charitably disposed and needs to be bribed with high interest; and the co-operator on his part must possess high moral virtues and must be honest above all things.

8. Assuming that it is possible to get together both these factors, the third difficulty is how to obtain staying capital. The redemption of a wage-earner can never be possible unless he is able to repay his loan patiently and in small instalments. But in the practical world capital is loath to wait a number of years on an apparently unsubstantial security. And the result often is that it is called in much earlier than it would be prudent to withdraw it in the natural course, a step which may hamper the work of redemption and injure the cause of co-operation.

9. The gains of the labourer are subject to variation in the same manner as those of agriculture. The agriculturist is dependent upon the natural elements for a steady harvest. The wage-earner for continuous occupation; agricultural gains may be upset by failure of rain or other causes; the labourer by brisk trade or its suspension. He may also be affected a great deal by ailments or other domestic mishaps. The uncertainties of continuous employment which, therefore, ought to be taken into account, make it all the more necessary that the capital must be available for a longer period of time than it is in the ordinary case.

10. The management of any co-operative organization must be in the hands of those who are to lose or gain by it. The next difficulty, therefore, is that of finding sufficiently enlightened and willing workers to undertake the management. But it would be imprudent to wait till the people are able to take care of themselves. Co-operative Societies ought not only to be the agency through which actual pecuniary benefits accrue to the members but also the schools in which members are trained to understand

and undertake their share of organizing, maintaining and conducting the institutions themselves. In order that this may be possible the intervention, temporarily if need be, of a central body of workers, interested in the welfare of the people has become a necessity to remove which the enlistment of active sympathetic, and disinterested workers assisted by such paid staff as may be necessary, must be secured.

11. This central body is not only necessary for training co-operators in their work and generally supervising the work of co-operative societies, but it has also a more important function to perform, *viz.*, to negotiate the credit of these societies and to obtain the requisite funds for conducting them and to arrange for safe distribution, collection and repayment of those funds on due dates and to obtain renewal of such as are now in a hurry to return to their owners.

12. The whole scheme of redemption apart from the difficulties already set forth, hinges on the gradual and steady growth of the Societies' own capital. The usual methods by which this is arranged for is to induce members to save small sums from their monthly income over and above the instalments which they must pay so as to slowly discharge their liability.

13. In order that a member may be enabled to save this small quota to his common wealth we must be sure that his income is not only sufficient to afford this deduction but that it can easily afford the regular payment of the monthly instalments towards the discharge of his debts. Any calculations made on probabilities must take into account the following points which deserve consideration :—

- (1) Steady and continuous employment.
- (2) Unforeseen expenses due to sickness, mishaps, ceremonies in connection with births, deaths and marriages and the social necessity of being hospitable to guests.

14. If the income is found to be insufficient, measures must be contrived to supplement their incomes by means of by—occupations to be brought within the reach of the member and his family and the best use made of spare time and available labour to carry out these occupations and facilities created for marketing

the products advantageously. Steps are also necessary gradually to win the member to appreciate the need of economy.

15. Whether the proportion of the burden of debt already incurred to one's income after providing for items one and two, is such as may in a reasonable number of years, enable one to be free from debt, requires the exercise of the highest skill and acquaintance with practical life of the poor labourer in all its details on the part of the co-operative worker. Before the members can acquire this skill, they must naturally depend on the central institution for guidance and it is the adjustment of funds in a manner to vouchsafe the punctual return of instalments which becomes the primary duty of a central institution. Naturally, the functions of the central institution become the most important factor in initiating the scheme for redemption of the labouring class in cities, the success of which depends on the class of people that can be persuaded for working it. .

16. First and foremost is the necessity for finding devoted people who can enthuse men with the right spirit for co-operation. They must be not only full of ideas but firm and patient in practically handling cases and dealing with all matters of detail with an undaunted and cheerful spirit and with faith in humanity avoiding all extremes.

17. It must not be forgotten that this a work in which the pioneers have not only to find out people willing to follow them but also deal with a mass of men steeped in ignorance, unacquainted with thrift and more prone to vices, and willing to lie deep in debt as fish do in water. They are unable to think beyond the present moment and are regardless of the future.

18. In spite of these unencouraging factors, it must be admitted that the majority of the labouring class, if it is brought into contact with a truly co-operative and sympathetic attempt to bring home to them their situation, are shrewd enough to understand it and are willing to follow the leadership of a trusted pioneer as soon as they discover his motives in approaching them. There are the people who reciprocate trust for trust. It is only necessary rightly to understand them and to touch their heart.

19. In laying down some of the points above enumerated the

writer of this paper is guided chiefly by his experience in this kind of work which he has been doing under the auspices of the Debt Redemption Committee started by the Servants of India Society in Bombay for the last four years. There are now 19 societies in existence, the membership of which is about 570. The capital in redeeming old debts so far amounts to Rs. 1,72,137 of which Rs. 1,06,290 has been repaid by members. The capital borrowed from outside so far amounted to Rs. 68,686 of which Rs. 26,510 has been returned. The number of members wholly redeemed from debt is 541 out of 570 mentioned above whose total indebtedness exceeds a sum of Rupees two lakhs. The reserve fund and capital scraped together by means of thrifty savings of members is Rs. 19,535 of which the reserve fund is Rs. 10,875 and their share capital and monthly savings of annas eight each amount to Rs. 8,660. The reserve fund is not entirely set apart but forms part of the present capital of the societies. The interest earned at the rate of one pice per rupee per month amounts to Rs. 33,688 which also becomes available as capital for redemption of members' old debts. But this has a far greater value. If the members, on all these transactions had paid interest at the lowest rate available to them in Bombay which is one anna per rupee per month, they would have paid to the sowcars Rs. 1,34,752 which really shows that a gain of nearly Rs. 1,00,000 has been accomplished in the interests of the members by means of co-operation. The interest paid by societies for borrowed capital is Rs. 13,164 only.

20. The cost of management to the societies themselves has come up to only Rs. 5,000 exclusive of the expenses of supervision incurred by the Debt Redemption Committee from its own resources such as a grant from Government and contribution from its members and also the members of societies and earnings of the societies.

21. The amount recoverable on insurance owing to death of members of the societies is Rs. 87,750 at the rate of Rs. 250 per member insured. This in itself is a tangible guarantee for outside deposits which amount at present only to Rs. 42,176. The amount realized on insurance owing to the death of 9 members is Rs. 2,500 which has gone in some cases not only to the complete

redemption of the deceased members but has left a balance for his survivors.

22. This method, however, affords no solution of the problem presented in the case of those who leave Bombay without notice or who go on other duties as has happened on account of the present war. The number of members who have gone on field service stands at 26 with a liability of Rs. 4,622 and arrangements are being made with the help of the military authorities to sympathetically realize the amount. Moreover, the number of those that have left Bombay without intimation is 9, owing Rs. 1,500 only, for the recovery of which steps are being taken by writing to the officers of native states and others concerned.

23. There is no danger, so far as could be seen, in realizing these amounts as steps are being taken by administrative methods and by measures of arbitration. Moreover, these loans are protected by the unlimited liability of all the members constituting the society and is further safeguarded by binding three persons as sureties, one of whom is an intimate relation of the borrower and also an earning member of the family.

24. These are the usual difficulties which all interested in co-operation must be prepared to face as they are generally to be met with even in societies meant for a more educated and a better class of people. With due provision for a substantial reserve fund which must be gradually set apart from the working fund of the societies and insurance against risks on account of death there should be no fear in pushing this scheme to its legitimate extent.

25. Judging from the difficulties already set forth anybody would feel that there is room for satisfaction in the comparatively encouraging results with which the labours of the writer of this paper and his colleagues have been rewarded. One of the conditions for good work in this direction is the sympathy of the Department which is entrusted with the work of organizing co-operative societies in this Presidency and I am glad to say that for this work I have been able to enlist the cordial sympathies of Mr. Ewbank and his staff. Moreover, this work is in no small measure due to the sympathetic encouragement which has been received at the hands of our great co-operator, the President of this Conference, the Hon'ble Mr. Lalubhai Samaldas, C.I.E., and last

though not the least to official help and guidance that has been received. The Hon'ble Sir Claude Hill was the first President of this Committee who interested himself in laying down the lines of this work. On his elevation to the Viceregal Council the Committee elected his successor the Hon'ble Mr. G. Carmichael as the President. The writer of this note owing to his repeated illness during the last two and half years has not been able to take full advantage of his practical sympathy and valuable guidance, which he hopes to do as soon as practicable and to develop the work to a much larger extent and to introduce in it elements of reform.

26. There is one point which cannot be overlooked in connection with this subject and that is the amount of loss likely to result from pursuing a scheme for redemption of the wage-earner in the city.

27. One of the most important tenets of the co-operative faith is the punctual repayment of debts by the member to his society and by the latter to its financier. If all things go on well that is while things are at their normal position there is hardly room for fearing a great many defaults. Naturally enough the man who has been freed from usurious practices is inclined to be loyal to his institution and the usual safeguard of two other men standing security for his loan becomes sufficient.

28. In the case of a mishap however, the sureties are burdened with the debts of the deceased in addition to their own and it is the habit of these people to stand surety for more loans than one. That this burden may be considerably lightened it is always prudent to get borrowing members at least sufficiently insured against accidents. The wisdom of this safeguard has been sufficiently proved in the working of the societies in Bombay and the objections for going in for insurance generally to be met with in the case of people who are unable to think out their own plans of welfare are almost entirely removed.

29. While defaults owing to death can thus be safely covered there are no means equally efficient to prevent loss owing to

1. Sickness.

2. Unemployment.

3. Unforeseen expenses from various causes.

The remedy for helping the members in sickness has been partially thought of and carried out by the Debt Redemption Committee which is the central institution for these societies, by collecting small requisites obtained by special contract with an Insurance Office supplemented by charitable aid from outside. In spite of the purely medical help thus ensured there are expenses of good nursing during sickness and through the convalescent stage which cannot be avoided.

30. Unemployment is an equally strong factor. Cases of wilful avoidance of work have been found to be very rare. But there are frequently occasions when a willing man has to be out of employment in spite of himself. Again there are occasions when a man's wife is delivered. Then not only does wife not earn but she has to be fed somewhat sumptuously at the expense of the husband out of his limited income.

31. A labourer of all others seems to be the most hospitably disposed. He forgets business considerations and this before all others seems to be the most fruitful source of defaults. This is a factor hard to be dealt with; and an untutored mind cannot easily be persuaded to avoid such unnecessary expenses though by degrees he can be won over ultimately to learn to cut his coat according to the cloth.

32. Insufficient finance is another cause from which defaults proceed. A man's income may be dis-proportionate to his indebtedness or his way of life may not be approved by other members to warrant a loan sufficient to wipe all his previous obligations. The society offers and the member consents to obtain a smaller loan to stave off his immediate need but he is often likely to default payment thereafter and probably avoid both his original sowcars and the society and become not only an unwelcome addition to the society but also a bad example to others.

33. These are in brief the most usual causes of default among the members and judicious measures must be taken to avoid them if the scheme must work well. Neither hard and fast rules nor a mechanically strict administration can improve the situation. Rigour without a sympathetic inquiry into the actual cause of default often tends to scare the member and in sheer desperation he may run away and by forsaking his employment he puts

himself and his society in the worst of situations. The Debt Redemption Committee has had to deal with several such instances and it may be satisfactory to note that with due regard for discipline it has hitherto brought the number of these defaults to a minimum.

34. Selection first and supervision over the use of not only the loan but the income of a member and the encouragement of moral virtues by constant and unremitting attention to a member's conduct in life are some of the remedies which can never be too much insisted on. But in order that the members may be reclaimed from a life of perpetual misery the central institution must be strong in men inspired by a true and sympathetic faith in co-operation as a factor for re-juvenating and elevating an important and growing class of human beings and it must also command a staff of a better order than mere mechanical tools to look after only the technique of book-keeping and other legal necessities of co-operative administration.

35. To enable the central institutions such as the Debt Redemption Committee in Bombay to carry on this sacred and humanising work, funds are needed which no societies affiliated to it can supply in their present almost experimental stage. To my mind, however, the work already done has been encouraging, the Government having come in for a share of it.

36. In conclusion, I must say that the work done has yet hardly touched the fringe of the huge work already before the Debt Redemption Committee in Bombay City alone and hope that the same generosity which moved the Bombay Government to offer pecuniary help may induce it to be more liberal in its help in future. It is needless to say that this work depends upon the support of the rich by monetary contributions and upon the services of young men who ought to give them gratuitously.

G. K. DEVADHAR,  
*Senior Member, Bombay Branch,  
 Servants of India Society, Bombay.*

## HOW HOARDING RUPEES HELPS THE GERMANS

---

How can I help to win the war? is the question which should be present in the mind of everyone in India to-day. Very many thousands of Indian soldiers have fought gallantly side by side with their British comrades in France, Mesopotamia, Egypt, Palestine and elsewhere, and great services have been performed by Indian lascars and by labour corps raised in various parts of India. Everyone cannot go out to fight, but there are few who cannot assist in one way or another to back up our soldiers in the field. Armies consisting of men drawn from India, from England, from France and from the United States are protecting India from an enemy who, if successful, would rob and oppress the people of this country, and therefore it is the duty of every true Indian to help in every possible way the soldiers who are bravely fighting for them. It is astonishing, but it is none the less true, that there are people in India to-day who, instead of assisting to win the war, are hindering the efforts of the army and are even helping the enemy. They do not know the harm they are doing; they do not understand that their action is making it more difficult for victory to be won and for peace to be restored to the nations of the earth. In modern warfare it is not only the soldier who has to play his part. The armies actually fighting must be supplied with rifles, guns, ammunition, food and many other things which have to be produced by people who stay at home, and have to be sent by ships long distances over the sea to the soldiers in the field. Those who make it more difficult for the supplies to be produced and for the ships to carry them to the fighting men are assisting the Germans and their allies as surely as if they are actually working for the enemy.

It may be said that no one in India would willingly injure the soldiers of his own country who are fighting his battles or would add to the hardships which they have to face. This may be true, but it is also true that people who during the war hoard rupees by burying them, by locking them up in boxes, or by melting

them down for use as ornaments are doing serious harm to their own country and to all the countries which are engaged in fighting for the liberty of mankind. Even those thoughtless people who buy silver ornaments are thereby encouraging the practice of melting, as the silver used for making these ornaments cannot at the present time be obtained in any other way. Such persons probably do not know that if rupees are hoarded in India the Government have to buy silver in far distant foreign lands, and to bring it enormous distances across the sea in order to make the new rupees which are necessary to carry on the business of the country. Here is a fact which will help to show what hoarding means. During the last two years the Government have been compelled to buy silver in order to coin no less than 50 crores of rupees to take the place of those which have been thoughtlessly hoarded by people in India. Further they have now found it necessary to make arrangements to bring from our great friend and Ally, America, an additional amount of silver to enable them to coin 50 crores more of rupees. A large part of this silver is on its way to India and the remainder will shortly be sent here.

The supply and purchase of these huge quantities of silver are very wasteful in many ways. In the first place, these purchases mean that India sends her resources abroad in return for mere metal. If the Government of India had lent the rupees required to buy this silver, India would have received interest thereon, amounting to more than Rs. 5 crores a year. This additional income would have made it possible for the Government either to reduce taxation or else to spend larger amounts for the benefits of India, either by providing for better education or sanitation, or in other ways.

Again, we can in this matter learn a lesson from our enemies. Germany has been able to carry on the war for so long, largely because she adopts as one guiding principle that of "waste nothing." The hoarding of silver in India is a most flagrant waste of an essential of war. Exactly the same applies to the hoarding of gold. It is almost as bad as burying shells and other ammunition instead of letting them be used against the enemy. The Prime Minister of England has told us that silver bullets will win the war, and yet in India, by hoarding our silver and

gold, we are hiding away silver and gold bullets, so that they can be of no help in winning victory.

It is also important to mention that in all other countries except India a note-issue has been developed and popularised in order to economise the metal used for coin. This is specially the case in Japan, where very small notes indeed are now in circulation. India is the only country which uses metallic coin instead of notes to the enormous extent which she now does. The result is that people of other countries are benefiting greatly from this policy, so that they grow richer at India's expense.

Apart from the effect of the practice of hoarding on the wealth of India, it must also be remembered that the production of silver from the mines of America calls for the labour of men who would otherwise be engaged in war work, as the Americans are fighting on our side and the soldiers they have sent to the battlefield require enormous quantities of food and military supplies to enable them to conquer the enemy. The silver which America is sending to India has to be taken in trains to the seaports, and this adds to the difficulties of working the American railways when they are engaged in carrying supplies for the war. Then, when the silver has reached the ports it has to be taken many thousand of miles by ship to this country at a time when every vessel is wanted for the purposes of the war and for conveying articles which people in India would be very glad to have such as cotton cloth and salt which, at the present time, owing to the demands for ships for other purposes cannot be brought to this country in the same quantities as before the war. The consequence of this shortage of ships is that the stocks of cloth and salt as well as of other articles used by the people of India are much smaller than in ordinary times and that prices are much higher.

It has been shown that huge amounts of silver have been bought by the Government within the past two years. But even these will not be sufficient to provide rupees if hoarding continues, and it cannot be too strongly declared that this practice is most harmful to India and to her soldiers. In the first place, instead of spending money to buy the silver, India could have drawn interest upon it and the money could then have been spent in providing rifles, clothes and food for soldiers, and in building

more ships which might have brought to this country articles that everyone wishes to have such as salt and cotton cloth just mentioned. Secondly, since hoarding makes it more difficult to obtain articles like salt and cotton cloth the prices of these articles as well as of foodstuffs and other necessities are raised and the people who hoard are thus injuring themselves and their friends.

There is no reason whatever why people should hoard rupees in India. The Government is just and powerful, and there are many opportunities for safely investing money which is not required for the time being, so that it can earn interest and increase the wealth of its owner. In all foreign countries which have become rich and prosperous, the people instead of hoarding use the money which they have to spare to make more money, and they thus benefit not only themselves but the whole community. There are Post Office savings banks and Government loans in which they can invest and from which they can draw interest and their money when used in this way is not liable to be lost or stolen by thieves, as it would be if they followed the practice of hoarding which is so common in this country. In India too, as has been stated, plenty of opportunities can be found for placing money where it is absolutely safe and where it can earn good interest. If a person has spare money which he is likely to want at short notice he can deposit it in the Post Office savings bank or buy Post Office savings bank or buy Post Office cash certificates with it. Or, if he is not likely to require it immediately he can invest it in War Bonds which pay a very substantial rate of interest. It is a direct benefit to him to use it in either of these ways. It is also a direct benefit to the country since any money lent to Government will be spent in India in buying for the soldiers wheat, rice and other foodstuffs as well as jute, cotton, hides, boots and shoes. A large demand for all these means good profit for the raiyats and other producers and adds to the wealth and prosperity of the whole country.

It will be clear then to any one who looks at the question of hoarding intelligently that the practice is a bad and a foolish one. Hoarding injures the soldiers who are fighting for India and thus helps the enemies of the Indian people. It also prevents money from being used to earn profits in the shape of interest and it

makes it more difficult for Government to buy Indian produce for the use of the Armies in the field.

Great harm is done in the world by want of thought. The hoarding of rupees in India affords an illustration of this truth. It is not too much, however, to believe that once the facts are realised every patriotic Indian will not only avoid hoarding himself but will do all in his power to persuade others from following a practice which benefits and assists the bitterest foes of his country.

## **CO-OPERATION IN BENGAL.**

---

### **By-laws of the Panihati Co-operative Anti-malarial Society, Limited.**

#### **NAME OF SOCIETY.**

1. The Society shall be called the Panihati Co-operative Anti-malarial Society. It is registered under the Co-operative Societies Act, II of 1912.

#### **REGISTERED ADDRESS.**

2. The registered address of the society is at Panihati post office Panihati, thana Khardah, sub-division Barrackpore, district 24 Parganas.

#### **OBJECT.**

3. The object of the society is
- (1) to prevent malaria,
  - (2) to render free medical aid to the members,
  - (3) to supply ordinary medicines free of cost to the members,
  - (4) to encourage thrift, self-help and co-operation amongst the members.

#### **MEMBERSHIP.**

4. Every member of the society must be
- (1) ordinarily resident within Panihati village,
  - (2) of good character,
  - (3) of not less than 18 years of age except in the case of a minor heir of a deceased member.
5. Every member shall pay an entrance fee of Re. 1 and shall sign his name or put his thumb mark in the register of members to be kept by the society in token of his acceptance of these by-laws. Entrance fees shall not be refunded to members.

Signatories to the application for the registration of the society shall be exempted from payment of entrance fees.

#### ELECTION OF MEMBERS.

6. Every person desirous of becoming a member shall apply to the committee of management which after careful consideration may admit him as a member or refuse his application. In case his application is rejected he may appeal to the General Meeting whose decision will be final.

7. The widow, legal heir or nominee of a deceased member, if elected within 3 months of his decease, shall be exempt from the payment of entrance fee.

#### CESSEATION OF MEMBERSHIP.

8. Membership shall cease by

- (1) permanent removal of residence beyond the prescribed limits,
- (2) misconduct,
- (3) non-payment of subscription within the second month of the quarter : and
- (4) death.

#### SUSPENSION AND EXPULSION OF MEMBERS.

9. The Managing Committee may suspend or expel any member if they find

- (1) any act contrary to the by-laws,
- (2) an attempt to discredit the Co-operative movement.

#### FUND.

10. Every member shall pay a quarterly subscription of Rs. 3 in advance. The method of collection shall be by selling coupons or tickets marked for each quarter. Each member will keep the coupon attached to a book ready for inspection.

11. The Managing Committee is empowered to accept any generous donation

- (a) from any person or persons,
- (b) from Government or local bodies.

12. In case of deficiency of resources to meet the requirements of the society the Managing Committee with the approval of the members in the General Meeting may impose an additional subscription of a sum not exceeding Rs. 2.

13. The fund raised in the above manner shall be utilised for the following purposes at the close of every month :—

- (a) 50 per cent. of the total monthly subscription up to a maximum of Rs. 60 per month shall be paid to a medical officer (registered practitioner of the Calcutta University),
- (b) 20 per cent. of the total subscriptions shall be spent on ordinary medicines,
- (c) 10 per cent. of the total subscriptions up to a maximum of Rs. 15 shall be paid to a compounder,
- (d) 15 per cent. shall be spent on anti-malarial measures,
- (e) 5 per cent. is to be kept for contingencies.
- (f) If there be any surplus or saving under any of the clauses in bye-laws No. 13, the whole amount shall be expended on anti-malarial measures under bye-law No. 13(d).

If any donations are received the Managing Committee shall either spend it on anti-malarial measures or open a building fund.

14. The anti-malarial measures referred to in bye-law No. 13(d) shall comprise chiefly of clearing of jungles and filling up of insanitary cess-pools. These works will be undertaken on the requisition made by the Sanitary Inspector of the Municipality with whom the Society will work in Co-operation. The actual work will be done by the Municipal Overseer and the work will be supervised by one of the directors empowered by the Managing Committee. The cost incurred shall be borne by the Society.

#### LIABILITY OF MEMBERS.

15. Every member shall be liable for any loss, &c., upto twice the monthly subscription.

#### PRIVILEGES OF MEMBERS.

16. Every member shall get ordinary medicine free of cost for his family.

17. The medical officer of the society shall attend on him and his family free of charge during hours fixed by the Managing Committee.

18. Sanitary improvements as detailed above shall be done free of charge.

#### GENERAL MEETING.

19. The supreme authority of the society shall be vested in the General Meeting. The general meeting shall exercise a general supervision over the business of the society, especially over the acts of the Managing Committee. Every member present shall have one vote. One-fifth of the members shall form a quorum. The Chairman who will be elected by the members shall have a casting vote. On all questions the opinion of the majority shall prevail.

20. The General Meeting of the society shall be called as often as may be necessary. At least one general meeting shall be called every year in a month to be fixed by the Registrar by any general or special order. This meeting shall be called the Annual General Meeting. Special General Meetings will be held whenever the Committee of Management think fit and shall be convened on a requisition by one-fifth of the members or of the Registrar or any person authorised by the Registrar by General or Special order to hold general meetings.

21. At least a week's notice of the general meeting shall always be given. The notice shall specify the date, hour and place fixed for holding the meeting. When general meetings are held on the requisition of the Registrar or any person authorised by him by general or special order it is not necessary to give a week's notice, and it may be held at such time as may be decided by the Registrar or the person authorised by him to hold the general meeting.

22. The duties of the general meeting shall be :—

- (1) to consider the annual report of the Managing Committee,
- (2) to review the work of its officers and to hear and decide all complaints against them,
- (3) to elect the office bearers of the dispensary,

- (4) to decide as to changes in the by-laws, and generally,
- (5) to consider all matters of importance that may be brought before it.

#### COMMITTEE OF MANAGEMENT.

23. The management of the society shall vest in the Managing Committee. The Committee shall consist of not less than 5 members and not more than 9 members including a Chairman and a Secretary who shall be elected annually at the general meeting. Subject to the directions of the general meeting and to the provisions of these by-laws, the Managing Committee shall manage the affairs of the society and exercise all the powers of the society. They shall meet at least once a month and shall record their proceedings in the Minute Book to be kept for the purpose and shall be signed by the Chairman. If the number of members of the Committee exceeds six, four members shall constitute a quorum, but in other cases the presence of three members shall be sufficient for the conduct of the business.

24. The duties of the Managing Committee shall be :—

- (1) to deal with application for membership,
- (2) to receive and disburse money in accordance with the provisions of these by-laws,
- (3) to appoint a treasurer,
- (4) to prepare a statement of accounts which shall include an abstract of receipts and expenditures classified under the different heads and to check the stock book.
- (5) to appoint a doctor and a compounder,
- (6) to deal with any complaint of ill-treatment by the medical officer or his subordinates, and
- (7) to transact all other business incidental to the management of the society.

25. The members of the Managing Committee shall be responsible for the good management of the society.

26. The funds of the society shall be kept in the custody of the treasurer appointed by the Committee of Management. The Secretary shall not be entrusted with the custody of funds.

The Secretary shall be responsible to the Committee of Management for the books of the Society.

#### DISPUTES.

27. All disputes concerning the affairs of the society which cannot be decided by the general meeting or by arbitration shall be referred to the Registrar whose decision shall be final.

#### DISSOLUTION.

28. The society shall be closed with the approval of the Registrar if three-fourths of the members present at the general meeting, especially summoned to consider the question, vote for it.

#### GENERAL.

29. Any of those by-laws may be altered or rescinded, new by-laws may be made at a general meeting held in accordance with the rules made by Government in this behalf and such amendment shall come into force after it has been approved and registered by the Registrar.

30. This society shall keep a copy of the Co-operative Societies Act, II of 1912, the Rules made by Government under the Act and a copy of these by-laws open to inspection free of charge at all reasonable times at its registered office.

31. These by-laws are subject to the provisions of the Act and the Rules made by Government under the Act and all matters not specially provided for in the Act, the Government Rules under the Act, or the by-laws shall be decided in such manner as the Registrar may direct.

The above are the by-laws referred to in our application for registration, dated the 24th March, 1918.

*Signature of applicants.....*

## **CO-OPERATION IN BOMBAY**

### **1. The Fourth Annual Meeting of the Bombay Co-operative Housing Association.**

The fourth annual general meeting of the members of the Bombay Co-operative Housing Association was held in the Bombay Improvement Trust's Office on May 24th, Mr. J. P. Orr presiding. The report of the managing committee described the progress of the Co-operative Housing movement in Bombay. It stated :—During the year under report no new society was registered in addition to the existing three societies referred to in the previous report. But the interest of the people in the housing question has been roused to a greater extent than in previous years, and three large housing schemes on co-operative lines are in the course of formation ; one by the G. I. P. Railway Company for its employees, the second by the Hindus of Bombay, and third by the Salsette Catholics.

Three existing Housing Societies have continued to make progress. The Saraswat Housing Society has purchased about 12 acres of land in Santa Cruz for constructing cottages on garden suburb lines. The Bombay Catholic Co-partnership Housing Society has commenced its building operations at Santa Cruz and some of its bungalows will be completed and occupied before the rains. The Mangalorean Garden Homes Co-operative Society have purchased large areas of land at Andheri, but on account of high prices have not yet commenced building operations. The housing movement has been attracting public attention to a greater extent than in previous years. At the Provincial Co-operative Conference held at Poona in September last, Mr. F. A. C. Rebello read a paper on "Co-operative Housing Societies—Why they should and how they could be encouraged" and Mr. H. V. Rajwadkar one on "Co-operative Societies for Factory-workmen" in which he pleaded for special facilities for promoting housing societies among the working classes. The recommendations made

by the two lecturers were adopted by the Conference. The Social Service League in Bombay arranged for three lectures on the subject during the years, two by Mr. J. P. Orr, on "Slum Reform and Social Reform" and the third by Mr. S. S. Talmaki on "Co-operative Housing for Hindus." The mill-owners of Bombay have been evincing greater interest in the housing of their employees. The public press has been devoting larger space in its columns to the treatment of the subject. Among the magazines, the *Local Self-Government Gazette*, a monthly Journal published in Madras and subscribed to by the Association, has been keenly discussing the various aspects of the subject in each of its issues. Questions have been asked in both the Imperial and the Bombay Legislative Councils on the subject of Government's attitude towards Co-operative Housing Societies.

#### THE RENT ACT.

Public attention became concentrated on the subject in consequence of the recent abnormal rise of house rents in Bombay, and the people ventilated their grievances against landlords in public meetings and in the public press. A discussion was also held under the auspices of the Association, and a report of it is printed as Leaflet 20. Government had at last to take the matter in hand and pass the Rent Act in March last prohibiting the raising of the rents above the standard fixed in the Act. This measure supplies however only temporary relief; the real solution of the problem lies in the rapid construction of houses in large numbers. The abnormal rise in the cost of labour and materials as also the stringency of the money market has brought however, building enterprise in Bombay nearly to a standstill. On the other hand the sudden increase of population in the city has made the housing problem more serious than ever. The time has come when co-operative building enterprise should take a larger part in the solution of the housing problem than it has hitherto done. But the difficulty of raising capital on reasonable terms has been increasingly felt every day, and therefore unless financial aid is given to Building Societies by the State here as in all progressive countries co-operative housing cannot be expected to make any considerable progress. The several housing schemes started in

Bombay have failed to make any headway for want of funds. The representation made on the subject by the Association in November 1916, was favourably endorsed and forwarded by the Government of Bombay to the Government of India. But the latter Government having as yet given no reply on the subject, a direct representation was addressed to the Financial Member by the Association in March last, and it is hoped that in view of the critical position which the housing problem has reached in Bombay, it will receive at his hands the sympathetic consideration it deserves.

It is gratifying to note that the Government of Bombay have invited competitive designs for types of cottages suitable for occupation by the working classes, containing preferably double-room tenements, and a prize of Rs. 1,000 has been offered for the best design. It may be hoped that Government will also invite such competitive designs of cottages containing three to five room tenements, and will moreover organize an exhibition of model dwellings to serve as object lessons to future builders of cottages.

The number of members of the Association rose from 91 in 1916-17 to 100 in 1917-18. In addition to the 11 meetings held for lectures and discussions, the third annual general meeting of the Association was held on 8th May, 1917 for the adoption of the report for 1917, and election of President and other officers for 1917-18. A special committee was appointed by the Association to draft a representation to Government. The managing committee met twice during the year.

The total receipts during the year were Rs. 350, which together with Rs. 340, the balance of the previous year, and interest Rs. 5 received from the Central Co-operative Bank amounted to Rs. 696. Out of this Rs. 377 were spent on purchase of books and magazines, and on printing, postage and other contingent expenses, leaving a balance of Rs. 318 in hand at the close of the year with no debts owing to or by the Association, except Rs. 190 subscriptions due from 34 members.

#### CO-OPERATIVE REGISTER'S VIEWS.

The following are the observations made by the Registrar, Co-operative Societies, Bombay Presidency, in his Administra-

tion Report for 1916-17 in connection with the Association and its work :—

The Bombay Co-operative Housing Association under the Presidency of Sir P. D. Pattani, continued its propagandist work actively throughout the year. Thanks to the energetic guidance of the Hon'ble Mr. J. P. Orr, 11 meetings were organized, and addresses were delivered by Mr. A. E. Mirams, Consulting Surveyor to Government, Rao Bahadur S. S. Talmaki, Mr. F. L. Silva, Mr. Narayanayengar, Registrar, Co-operative Societies in Mysore, Mr. K. C. Deshikachariar (Editor of the *Local Self-Government Gazette*), the Hon'ble Mr. Orr himself and the Registrar. Additions were made to the library and several leaflets were published. A special representation on the question of State Aid to Housing was submitted to Government. The schemes for two new Housing Societies were examined and forwarded for registration. These were accepted and there are now three Housing Societies in the presidency. The Mangalorean Garden Homes Society has for its object the purchase of land near Bombay, which is to be parcelled into plots and the division of the plots among the members who will build houses individually at their own expense. The Bombay Catholic Co-partnership Society has purchased land at Santa Cruz and intends to build houses there on the tenant co-partnership system. Both Societies have been handicapped by the cost of labour and materials and the difficulty of raising capital on moderate terms. The earliest housing society, known as the Bombay Saraswat Co-operative Housing Society, under the chairmanship of Mr. Murdeshwar, in the course of the year, built two more three-storeyed houses at a cost of Rs. 72,000 to accommodate 24 families at rents of Rs. 21 to 28 per suite. The Society now owns five plots on neighbouring sites leased from the Government for providing accommodation to 42 families in 1917 at a cost of Rs. 1,33,201. The progress of the Society is due to the ability and enterprise of its members.

by it, and in reply copies of reports, and leaflets of the Association were sent out. This, it may be hoped will lead to a furtherance of the co-operative housing movement and to a closer study of the housing problem in India.

The report was adopted and office-bearers were appointed for the next year.

## 2. Bombay Central Co-operative Bank.

The seventh ordinary general meeting of the Bombay Central Co-operative Bank, Limited, was held in May last, at the registered office of the bank, in Apollo Street, Fort, Bombay, the Hon. Sir Fazulbhoy Currimbhoy Ebrahim, Kt., chairman of the board of directors, presiding.

The directors' report stated :—The net profit for the year, including the sum of Rs. 10,787-6-7, brought forward, amounts to Rs. 75,626-12-4; an ad-interim dividend at the rate of 6 per cent. per annum was paid for the half-year ending 30th September, 1917, and this absorbed Rs. 21,000; the directors now propose to pay a final dividend for the half-year ending 31st March, 1918, at the rate of six per cent. per annum, and a bonus of one per cent. per annum, which will together absorb Rs. 28,000; to grant a bonus to the bank's staff, Rs. 1,037; to carry to the reserve fund (making a total of Rs. 19,464-2-9), Rs. 2,650; to carry to reserve for doubtful debts (making a total of Rs. 21,000), Rs. 12,000; to carry to societies' share of the divisible fund (making a total of Rs. 10,000), Rs. 9,650; to carry forward to the next account, Rs. 1,289-12-4; total Rs. 75,626-12-4. You will be pleased to observe from the accounts that the financial position of the bank continues satisfactory, and that during the last year there has been a substantial increase in the working capital to Rs. 17 lakhs nearly. This expansion of business, the bank has been able to meet in spite of the flotation of the War Loan, the expansion of the last official year and the conditions of the money market.

The work of the bank during

co-operative

the registration of which was cancelled during the year under report, the number of co-operative societies in liquidation which are indebted to the bank is ten. The outstandings are being realized gradually through the liquidators appointed by the Registrar of Co-operative Societies, and the directors do not anticipate that the liquidation of the cancelled societies will involve any bad debts. But after consideration of the outstandings of the cancelled societies and in view of the extension of the bank's business in different parts of the Presidency, the varying agricultural conditions of which have led to occasional unpunctuality in the repayment of loans, they have deemed it advisable to strengthen the special reserve for doubtful debts created in the year 1916. The societies' share of the divisible fund for the triennium ending 31st March, 1918 amounts to Rs. 10,000. This rebate will be distributed to the borrowing societies on the conditions specified in clause 19 of the bank's agreement with the Secretary of State. To provide for the extinction of the debentures, a sum of Rs. 15,750 has been added to the sinking fund, which now amounts to Rs. 64,655-12-2. You will be glad to learn that the Imperial Legislative Council passed last year a bill introduced by your chairman recognizing the investment of trust funds in the debentures issued by the bank with the guarantee of the Secretary of State for payment of interest. The directors recommend the alteration of bye-law No. 83 under which the annual general meeting of the bank for the consideration of the yearly accounts must be held before the 15th of May. They suggest the alteration of the latest day for the holding of the meeting to 20th June. All your directors retire from the board under bye-law No. 64, but are eligible for re-election.

In moving the adoption of the report, the Chairman said :—Gentlemen,—I have great pleasure in placing before you the report and accounts. It is most satisfactory to be able to record that in a year marked by considerable financial disturbance caused by the war and fluctuations in our market the bank has nevertheless been able substantially to extend its operations. Last year the total loans to societies were twenty-two lakhs; this year they have risen to nearly thirty lakhs. This represents the sum of capital transferred from the markets of Bombay to the districts to assist

our staple industry, agriculture, and we trust that in future it will continue to expand at the same rate. The larger turnover has naturally increased the total profits, which, with the sum carried over from last year bringing our total profits to seventy-five thousand rupees. The year which has just closed marks the end of the second triennium of the bank's working. As you are aware, under our agreement with the Government of Bombay, at the close of each triennium the total profit, after paying interest at the rate of six per cent. to our shareholders, has to be divided equally between the bank and borrowing societies. This condition has naturally governed the distribution of profits which we suggest for your acceptance. We have already paid on interim dividend at the rate of six per cent., and we propose a final dividend at the same rate, which will absorb Rs. 42,000. Out of the balance remaining, we propose a bonus at the rate of one per cent., making seven per cent. for the year; a like sum must be allocated to the societies, so the sum set aside for this purpose will be Rs. 14,000. We propose to set aside Rs. 12,000 for bad and doubtful debts, bringing the total provision under this head to Rs. 21,000; Rs. 2,600 to the reserve, with an equivalent to the societies' share of the divisible profits; and to carry forward the small balance of Rs. 1,289-12-4 remaining. In these recommendations only one item needs explanation, that is what some shareholders may think the large allocation to bad and doubtful debts. We have so far made no bad debts, and in view of the substantial margin we demand in making advances, we trust that none will be made in future. But a few societies are under liquidation, and until greater experience is acquired we feel it desirable to maintain this reserve virtually on a parity with our outstandings with such societies. If experience shows that the provision made is excessive, then the account will be adjusted. Under our articles we have every year to make provision for the extinction of our debentures, and this constitutes part of our general reserve; our total reserves now aggregate Rs. 1,11,200. The only other feature requiring comment is the cash credit with the Bank of Bombay, to the extent of Rs. 4 lakhs, which has been arranged. In view of the fact that our money is lent for considerable periods, rarely less than one year, we desired to strengthen our cash resources and we are grate-

ful to the directors of the Bank of Bombay for the very valuable support which they have given us. I propose that the report and accounts be approved and adopted.

On the motion of the Chairman, seconded by Mr. Tullockchand, the directors' report for the year ending 31st March was adopted, proposed by Sir Stanley Reed, Kt., and seconded by Mr. Mehta, a dividend at the rate of 6 per cent. per annum, and a bonus of 1 per cent. per annum was declared; the retiring directors were re-elected; Messrs. K. S. Aiyar and Co. were re-appointed auditors; a vote of thanks to the Chairman terminated the business.

### 3. The Co-operative Movement in Bombay (1916—17).

It is a notable striking proof of the inherent strength of co-operation in the West of India that in spite of the difficulties produced by the war notable progress has been achieved and that the results have surpassed all previous records. Owing to the conditions of the money market in Bombay the Bombay Central Bank was compelled first of all to limit its loans to societies to periods of 1 or 2 years and then to raise its minimum lending rate to  $7\frac{1}{2}$  per cent. and to suspend the grant of the cash credits to Unions. The issue of the war loan not only reduced the margin of profit earned by Central Banks, but also in many cases drained away local deposits from primary societies, and in some country places diverted to the Loan, funds due by ryots to societies in repayment of debts. In some parts of the Bombay presidency untimely rains damaged the crops while in others there raged a severe epidemic of plague; so that the season has been the most difficult through which the co-operative movement has yet passed.

### PROGRESS ACHIEVED.

Nevertheless, the progress has been remarkable so far as Co-operation is concerned. The number of societies has been increased by 27 per cent., the number of member by 22 per cent. and the amount of working capital by 26 per cent. Nor do these statistics suffice to tell the tale of progress. The Registrar says, with a pride for which there is every justification, that there has

been a distinct growth in the spirit of material help and in the knowledge of all that co-operation implies and this has taken shape in the rapid organization of local unions. The eyes of agriculturists, he adds, are no longer turned exclusively on the credit movement, and no less than 42 societies have been formed for the purchase of cake manure, implements, bulls, &c., and the sale of cotton, jaggery, milk and agricultural produce.

The investment of nearly five lacs of Rupees in the War Loan indicates at once the strength and the loyalty of the movement. All societies were advised to provide themselves with fluid resource by investing their reserve funds in the War Bonds. They were also asked to collect deposits from their members fixed for five years at  $5\frac{1}{2}$  per cent. and to invest the whole sum realized in War Bonds at the same rate. As has been observed, the response has been excellent and it is particularly so when we take into consideration the money market stringency.

#### THE PROVINCIAL BANK.

The cautious skill of the Directors has steered this institution in the midst of a number of difficulties. The business of the institution has even expanded and its total working capital has been raised from 18.4 lakhs to 22.8 lakhs. The shares are now fully paid up and further expansion is expected from debentures. A bill has now been introduced amending the Indian Trusts Act so that these debentures may be treated as trustee stock. This bill may enable the Bank to issue a fresh series of debentures, but looking to the present money market conditions it is difficult to be sanguine about the result; whereas had the scheme been adopted three years ago the Bank would have possessed ample and cheap non-withdrawable capital. Besides the resources from shares and debentures, the Bank has obtained an additional cash credit of 4 lakhs from the Bank of Bombay.

#### CENTRAL BANKS.

The older District Central Banks have all done well, though all have not made the progress anticipated in the direction of abandoning loans to individuals and restricting advances to

societies. In some cases, owing to the preponderance of individual shareholders, the interests of the borrowing societies and of the union are not yet thoroughly harmonised. Three new Central banks have been formed during the year. Hitherto, it would appear, that the Provincial Bank had been granting loans on very favourable terms indeed. This had one unfortunate effect—that it stunted the growth of District Central Banks since they were not able to raise funds that would be advanced to societies on similarly easy terms. This meant that the deposit capital available in the mofussil head-quarter towns was not being tapped, and that societies were being fed with Bank money rather than local money. This is, however, a thing of the past and it is now possible for the first time to organize Local Central Banks with a reasonable chance of success. It is an encouraging feature to read that certain gentlemen have recently given up hoarding and have taken to investing large sums in the societies and are thus helping the unions.

#### GUARANTEEING UNIONS.

The main difficulties in the way of their formation in Bombay Presidency has been that societies are widely scattered and are not crowded in particular areas. But “at last we have discovered and put into working order an agency which promises to put an end to the necessity which Government were under of increasing the staff of auditors and special Mamlatdars almost to an unlimited extent”. The beginning made has so far been quite encouraging in Bombay. The system not only provides efficient and responsible local supervision but also relieves the Department and the Central Bank of detailed duties that with the growth of the movement were becoming too heavy. It furnishes the Department with a convenient unit for administration and saves the Central Bank from the costly task of enquiring into the loan application of each society separately.

#### AGRICULTURAL SOCIETIES.

Here also the emphasis has been laid on quality rather than quantity. The demand for more societies and the need for them

is urgent. But while only one-eighth of the existing societies could be classed as first rate it was unsafe to allow development to outstrip the existing power of supervision and finance. According to the system of audit classification the number of societies classed as A is 153 against 95 last year, as B 579 as against 428 last year, as C 176 as against 151 last year. This is progress indeed and the cautious policy is worthy of the able and energetic Registrar, Mr. Ewbank. A society is cancelled at once if it is classed as D twice in succession. It is remarkable that co-operation is developing more rapidly in the Deccan than in the more commercially minded region of Gujrat. The reason seems to be that the bania is not a very oppressive person in the latter place and his easy and elastic conditions are often preferred to rigid rules.

The existing dairy societies have done something in the way of supervising milking, providing clean and good utensils and arranging for cheap and prompt distribution. But the present class of dairy cannot be successful without a large measure of Government and Municipal support. Next year it is proposed not to attempt any further to improve city milk supplies from within, but to take up the question of increasing the supply by bringing in milk from surrounding villages and organizing its distribution. The distribution of milk is easier to arrange than its production. The cotton sale societies have for their object to ensure correct weighments, better prices, and to cut out unnecessary middlemen. They have developed a surprisingly large business in their first year. The Jaggery Sale Societies aim at securing fair market price to the cultivator and at checkmating the tricks of local merchants. There appear to be no demand in this Presidency for cattle insurance. But in the distribution of improved seed and the recovery of its price the societies have been of great and increasing utility.

#### NON-AGRICULTURAL SOCIETIES.

Their progress has been satisfactory and some of them can command more deposits than they can use. There peoples' banks are formed on the Schulze Delitzsch model and are intended to meet the wants of the middle classes and artisans in urban areas.

They have been assisted in their development by the failure of Swadeshi banks which has left them a larger field of action. There are most possibilities as regards the Millhands' and Artisans' societies but it requires outside organisers to initiate the movement and to extend it, since the untouchable classes are incapable of forming and managing societies of their own without outside help. The Debt Redemption Committee is doing excellent work of this kind in Bombay city. The Communal societies, too, are progressing favourably.

There are 15 store societies in the Presidency and they do well so long as they work on the cash system and avoid credit. The main difficulty of this class of society lies in its audit. Weaving societies are doing as well as they can under the adverse conditions. Most of them do credit business only, some have taken up the purchase and sale of yarn as well, and a few have gone so far as to have opened shops for selling cloth themselves.

#### PROPAGANDA.

In this field the activity manifested in Bombay cannot be praised too much. The Bombay Co-operative Library contains 185 books and as many pamphlets and must prove a great stimulus to co-operative thought. The library is also issuing the Co-operative Quarterly in English. Three vernacular agricultural journals are devoting their columns to the cause of co-operation. The Registrar concludes by saying that it is the dearth of finance and supervising agencies rather than the lack of propagandist effort which prevents the co-operative movement in Bombay from developing more rapidly than it does.

J. C. C.

## CO-OPERATION IN BURMA

---

We gather from the Registrar's remarks that there has been some lukewarmness in the past in the matter of cattle insurance, due in a measure to the fact that its benefits are not visible until the ryot, or his neighbour, has lost cattle and received an indemnity. There is, in the absence of this convincing proof of the soundness of cattle insurance, a tendency to regard the premium payable as nothing more than an extra tax, and a rather high one at that, and to cease to pay it. It may be a curious way of putting it, but the difficulty in the past has been the extraordinary small proportion of deaths among cattle. It is easy to see, however, that this accounts for the comparatively small total of indemnities paid. An increase in cattle mortality would raise the amount and number of the indemnities paid, and afford convincing evidence of the advantages of cattle insurance. Such conditions prevailed during the year and it is hoped that this otherwise unfortunate state of affairs will be productive of good if it increases the popularity of co-operative cattle insurance.

There are one or two other points in the report that call for notice. The first of these has reference to the good work that Unions are doing as propagandists of co-operation. In other ways, too, we are told they are the mainspring of the movement, and we are given several illustrations to prove this, to one of which we would like to refer, as it has been one of the chief hindrances to the spread of co-operation, namely the reluctance to pay back loans. Societies complain of it in their constituents and Central Banks regret it in the societies. One of the functions of Unions is to bring pressure to bear on Societies addicted to unpunctuality in this respect. This does not mean that all Unions in Burma have attained the same high standard. In one Union a serious misappropriation of funds was an unfortunate incident of the year, and in more than one slackness of control and unwillingness to undertake responsibilities are chronicled. Such,

it is pleasant to be able to record, are in the minority, but their existence, it will be easily understood, makes any devolution of responsibility by reducing the supervising authority impossible. One reason for the defects in Union administration, where they exist, is the national and amiable failing of the Burmese of being to the virtues of their neighbours very kind and to their failings very blind. They are in most cases perfectly well aware of what is wrong in connection with these Unions, but they shrink from the unpleasant duty of ousting unsatisfactory officers. They refer to put up with malpractices in the hope that a Government official will come along some day and put things straight, or else they adopt a sort of passive resistance policy of ceasing work altogether in the hope that this will attract attention and bring about reform. There is evidence, however, that moral courage is developing with the growth of public opinion in favour of sound and honest administration.

We have seen no reference to the subject in reports from other Provinces and cannot say, therefore, whether similar action was taken elsewhere, but the account given of the part taken by the co-operative movement in the collection of war loan subscriptions is interesting. If by any chance these, or similar, measures were not undertaken in other Provinces, it may serve a useful purpose in view of the forthcoming war loan to describe what was done. The scheme was worked through the Upper Burma Central Bank and by this means a total sum of Rs. 10,65,400 was invested in the war loan. The scheme took a two-fold form. In almost every district Societies made a corporate subscription to the War Loan of an amount varying from Rs. 10 to Rs. 20 per head of its membership, the amount being provided by the Upper Burma Central Bank, under an arrangement with the Bank of Bengal. By this means Rs. 4,67,700 was subscribed. In addition Societies acted as collecting agencies for local subscriptions by opening a register of deposits, of which it guaranteed the repayment in 1922 and interest in the interim at 9 pies in the rupee per annum. These sums were invested in the Upper Burma Central Bank and by it invested in 1922 War Bonds in respect of money received up to the 15th June, and thereafter in Post Office bonds. The total amount received from this service amounted to

Rs. 5,97,700. Mention of the Uppèr Burma Centrial Bank reminds us that for the first time since its foundation it was unable to meet all the demands made upon it, thus bringing into prominence again the question of providing several other such institutions in various parts of the Province.

—*Madras Mail.*

## CO-OPERATION IN TRAVANCORE

The first Co-operative Conference was held at Mavelikara early in May last. There were about 600 delegates present, besides visitors.

Mr. Udaya Varma Rajah, the head of the Mavelikara branch of the House of Travancore and the leading nobleman in Central Travancore, was the Chairman of the Reception Committee. In welcoming the Dewan and requesting him to open the Conference, the Chairman explained the circumstances under which the Conference came to be held at Mavelikara and expressed the pleasure the members of the Reception Committee and the public had in securing the Dewan to preside. He then dealt with the salient features of the movement started in Travancore over a couple of years ago, and referred to some of the difficulties in the way of further progress.

### THE DEWAN'S ADDRESS.

The Dewan delivered his address in Malayalam—

He was glad, he said, to have been able to open the Conference in spite of some personal inconveniences. He thanked the Chairman of the Reception Committee for the kind sentiments expressed about him. He then explained the nature and constitution of co-operative societies, how they differed from joint stock companies and depended entirely for their success upon the personal credit and character of the individuals composing the society. He then dealt with the relations that ought to exist between Government and such societies. The co-operative movement was essentially a popular movement, and Herbert Owen, the first apostle of the movement in England, did not want any Government aid. Since then the movement had been thriving in the West on that principle and in that spirit. But in India the movement was first started by the Government of India, and Travancore followed suit. But the final aim of His Highness' Government was that it should stand entirely on its own legs. The object of the Registrar was only to give it a start and to see that it did not go off the rails and also to keep an eye on the accounts, so that the spirit of mutual

confidence and trust might pervade the people from the efficient working of the initial societies. The success of the movement was based solely on the compact working of the members. So far the work of the societies started in the State was mostly confined to lending money for agricultural purposes. That was not at all in any way objectionable or undesirable. But what he meant was that the members should first realise their moral duty to repay the loan in time and obey strictly the terms under which loans are granted. There should be no laxity in the enforcement of the rules, and they should particularly be helpful in the due fulfilment of the contract. That was the first step to be taken towards ensuring success. The next point was that the accounts should be kept regularly and carefully and should be open for inspection to any member who might want to look into them. There should be nothing secret in regard to account. If, over and above the points above noted, the members would remember that they should work wholeheartedly and for common purpose, the success of the society was assured. In regard to the suggestion made by the Chairman that the elementary principles of co-operation might be taught in schools, the Dewan said that he differed entirely. For, the subject was purely a business concern and was thoroughly practical. Another suggestion made by the Registrar was that Government officers drawing Rs. 100 and above might be permitted to serve on the committees of co-operative societies and other wise allowed to take active part in the movement. It should be remembered that such action would be officialising the movement, especially in rural parts, where the people were likely to be influenced by the presence of officials. The progress at the very beginning might not be as great as some of the more enthusiastic of the advocates might desire. But there was nothing like slow and steady growth. It was a matter of great satisfaction to know from the Registrar that the Press in Travancore was of great use in popularising the movement. In his opinion that was the agency for prompting the movement, specially in view of the fact that there were a large number of vernacular newspapers in the land having wide circulation. He would ask the Registrar to give all facilities to the Press in making known the aims and principles of the movement. The progress made during the past two and a half years was very encouraging, and there was enough evidence of the usefulness of the movement being appreciated by the people, as shown by the large number of delegates and others who had come from long distances at great personal inconvenience and and trouble. There was an impression that Government ought to do more in the direction

of financial aid. He might at once tell them that the loan of Rs. 50,000 given to the Central Co-operative Bank in Trevandrum was sufficiently liberal, when compared with similar steps taken elsewhere in India. When the Bank was started, it was expected that there would be a demand for the shares. But past experience gained of the working of the Bank was disappointing. Only about half the total number of shares had been sold, and of those some had even defaulted. Out of Rs. 1 lakh, the capital distributed over 1,000 shares at Rs. 100, only Rs. 11,000 had been collected which was unsatisfactory. With Rs. 50,000 lent by the State, a dividend of 6 per cent. had been secured. If deposits by the people were sufficiently numerous, there was no doubt of the success of the Bank. It was, therefore, the clear duty of the people to come forward and see that the capital was fully subscribed and, what was more important, actually paid. The Dewan then asked the delegates to realise the heavy responsibility that rested on them and to devote their best attention to the many questions of vital importance that would be brought up for consideration in the course of their deliberations and assured them that the resolutions they might pass after mature consideration would, when submitted to Government, receive their best attention and warm sympathy. In conclusion, the Dewan said that the large audience he saw induced him to explain the object of the War Conference which the Viceroy recently held at Delhi and to appeal to every one of them to see that the maximum effort each was capable of was spent on behalf of the Empire.

The Conference then adjourned for the day to meet again the next day.

Dr. N. Kunjan Pillay, the Director of Agriculture and Fisheries, presided over the Conference. Several papers were read on co-operation and allied topics. A lengthy list of resolutions was then passed. Among the more important subjects which formed the topics of discussion were the opening of district and taluq co-operative banks; the promotion of cottage industries; the formation of agricultural co-operative societies, the opening of more co-operative societies on the coast where poor people lived; the establishment of distributive societies, etc. One noteworthy feature of the deliberations was the free discussion and the real enthusiasm and earnestness which characterised the proceedings.

The Conference was brought to a close with three cheers for H. H. the Maharajah and the Dewan.

## CO-OPERATION IN MYSORE

The report on the working of co-operative Societies in Mysore State for the year ending June, 1917, records progress in the direction of the development of co-operation on lines other than credit. The transactions of these societies show an all-round increase in the volume of work done under all heads, and about 57 per cent. of the loans are reported to have been given for productive purposes, but the percentage of loans granted for discharging prior debts is still large (25), while loans for marriages and other ceremonies have increased from 4 to 7. The Mysore Government lay stress on the desirability of still further restricting loans granted for non-productive purposes.

It is a vexed question how far rural credit societies have succeeded in relieving the indebtedness of the members. An enquiry into this lead the Government to think that "so far as the Societies examined are concerned, there has been no improvement in the economic condition of the members, their indebtedness remains practically the same as it was some years ago and they are still in the hands of the money-lender. . . . There can, however, be no doubt that systematic stock-taking of the material and moral effects of the movement on the people will be of great help in consolidating and stimulating further development." It is satisfactory to note that among the questions which are continuously engaging the attention of the authorities are the starting of a large number of societies for the benefit of the poorer and backward classes; the investigation of the economic condition of members of societies; the encouragement of weavers' societies and other industrial co-operative societies; and the development of agricultural co-operation other than credit.

The non-agricultural, productive societies at work at the end of the year are still small in number, 44; but among these are jaggery manufacturing and rice-hulling societies; weavers' societies, house-building societies, municipal employees' societies, and societies for the benefit of particular classes, such as tailors

jutka drivers, etc.; grain societies; one society each for ivory inlayers, lacquerware artisans, and sandal inlayers. Of these, the weavers' societies appear to be working well. The members purchased yarn and goods to the extent of a lakh and a half rupees. The general economic condition of the weavers is reported on in very unfavourable terms; lack of enterprise and illiteracy; heavy indebtedness to middlemen and so on. With a view to relieve and to place the whole organisation on a satisfactory footing, the following measures, which have received the approval of the Department of Industries and Commerce are in contemplation: (1) the Department is to supply suitable designs after studying the demand for goods in the market and generally improve the technical conditions under which the weavers are carrying on their operations; (2) primary societies are to be formed in important weavers' centres with a majority of weavers and a small percentage of public-spirited merchants as members for purposes of granting credit, supplying yarn and purchasing the goods manufactured; and (3) a federation of weavers' societies into wholesale stores at Bangalore and elsewhere is to be formed at which the goods purchased by all the societies will be stocked and sold, the profits being divided by all the societies. It is to be gathered from the report that these practical aims are already in operation.

## CO-OPERATION ABROAD

Extracts from a "Note on Co-operation in Agriculture and Industry" by  
F. R. Hemingway, Esq., I.C.S., Registrar, Co-operative Societies,  
Madras (published in the *Madras Bulletin of Co-operation*, April, 1918).

In European countries, though co-operative credit has done much for agriculture, it is in other directions that agriculture has benefited most from co-operation. And briefly the methods chiefly employed seem to fall under one or other of the following heads :—

- (1) The joint purchase of requirements, household or agricultural or both, for retail distribution to the members.
- (2) The joint purchase of expensive machinery and implements to be jointly owned by the society and to be leased out for individual use by the members.
- (3) The joint sale of the produce of the members.
- (4) The joint preparation for market of the members and its joint sale after preparation.

All the above forms of activity have been of the greatest assistance to farmers, and the success of some of the societies, notably those of the first and fourth types have been simply astounding. It is reasonable to hope that activities of a similar nature may be found similarly profitable in India both in the world of agriculture and the world of industry, especially in the case of cottage industries, like weaving. The following remarks attempt to indicate the conditions under which such successes have been attained and may be expected.

The joint purchase of requirements for retail distribution to members has several obvious advantages. Firstly, the society buys on wholesale terms instead of retail terms and thus secures for itself or the members the margin which exists between the wholesale and the retail prices and which provides the profit of the ordinary middleman. Secondly, owing to the fact that the

quantity ordered by the society is large, dealers will be anxious to do business with it and will treat it with greater respect and consideration than they will waste on an individual ryot. In particular the society will be able to insist on good quality in the articles supplied, a matter of great importance. Thirdly, the society gets into the open market where competition will disclose the real value of the articles it wants to buy, a circumstance conspicuously lacking, *e.g.*, when the weaver has perforce to buy his yarn from the local money-lender. And fourthly, the society secures a great economy in freight by importing the requirements of its members in one large consignment instead of their being imported by each individual member in a quantity of small consignments. Fifthly, owing to its greater financial stability, the society can afford to buy at the right time.

Societies for the purchase of requirements may and do take very different forms. Two main distinctions of forms may be noticed. The simplest means by which the above advantages can be secured is that the society should periodically ascertain from the members their requirements and should then add these up and bulk them into one order, on a general dealer, purchase them, secure their delivery, and distribute them to the ordering members at a price that will cover the cost of the articles and the freight, with or without a little margin to be retained by the society, itself. In this form the society can be said hardly at any stage to be the owner of the goods, but is acting as it were as the agent of the members, and the society has no difficulty in disposing of the articles ordered and is in no danger of their being left on its hands unsold. On the other hand, this form of activity has the disadvantage that it is not always easy for members to forecast their requirements (this is, of course, particularly true of household requirements) and feel the want of some sort of store or shop where they can buy, on the spur of the moment, anything they may suddenly find themselves in need of. Hence we find such societies tend to take the form of a co-operative shop or store. The business done by such a store is larger than that of the simpler form of society and its profits are greater; but it requires much more elaborate management and runs greater risks. The requirements of members have to be intelligently anticipated, the

risk has to be taken of being left with goods unsold on its hands, premises and storehouses are required, sales-men have to be entertained and account-books kept. Secondly, joint purchase can be effected without the intervention of the society as such by means of the "joint loan rule," which is added to many of our own credit societies. Under this rule any number of members can take a joint loan for certain purposes, and this rule is intended to permit members to send joint orders for their requirements in the way described above and to secure the advantages above outlined. Possibly however it will be found that such activities can be best carried on by the society as such.

Some societies of the above nature have already been started in this presidency. There are, for instance, the general co-operative stores of household requirements at Madras, Madura, Coimbatore and Dindigul, which have achieved a fair measure of success. And an interesting experiment has been made recently in the Guntur district by starting a small household requirements store in a small village. Several of our credit societies have adopted a by-law permitting of the joint purchase of members' requirements, and some activity has been manifested by them in this direction. And it seems possible that a good deal might be done in the way of joint orders of agricultural requisites, such as seed, manure, ploughs, and so forth. And such opportunities will no doubt increase when there is an increasing development of modern scientific methods of farming and the ryot buys a greater amount of his requisites from outside than he does at present. In the case of the weaving industry, there seems greater promise for the joint purchase of yarn, and a society of weavers recently started in Berhampur has been able to effect a considerable saving to its members in this respect.

There is little necessity to say much about the joint purchase of expensive machinery to be owned by the society and leased out to the members. Wherever it is clearly proved that expensive machinery beyond the reach of the ordinary farmer can be really profitably employed, it seems highly probable that such joint purchase would be advantageous. It would be necessary to see that the society could secure and would employ a capable man to look after the machine, where skilled supervision was required.

And it would have to be carefully guaranteed that means could be found to repair the machine without much delay whenever it should get out of order. Further, the fees would have to be so regulated that the interest on the cost of the machine should be covered and a sinking fund created for the payment of the principal. But the essential requisites seems to be that the machine should be so clearly useful that the ryots would be certain to continue to use it. Otherwise there would be the danger of the society being left with the machine on their hands. Hence great care would be necessary in the choice of such implements and a good deal of supervision would be required in the early days of its use. Of course, there may be cases where this form of purchase could be used securing comparatively simple and well-known machines, such as sugarcane crushers: and here the difficulties and dangers would be much less.

The same sort of advantages seems to be secured by the joint sale of produce as by the joint purchase of requirements. The society has to collect and roughly grade the produce of its members and sell it wholesale to the big merchant at a time when prices are favourable. Elaborate grading would not be necessary, but it would be necessary, *e.g.*, not to sell 'nadam' cotton as cambodia or 'puliccai' cotton as Tinnevely. By such a sale the following advantages are secured. Firstly, a good deal better price may be expected. A large number of middlemen or collecting agents are eliminated, whose work it would otherwise be to collect the produce of the individual farmer and hand it over to the wholesale dealer, and the profits of those men are taken by the society and its members. Moreover, a dealer will come to trust a society not to adulterate the produce and will, if things go well, pay a better price on that account. And generally it seems to be the case that contracts for large quantities will get a better price than small sales, especially when the quality is guaranteed. Secondly, the society gains a great saving in freight in sending large consignments. Thirdly, it saves the individual farmer a good deal of time and trouble which he would otherwise expend on the marketing of his own produce. Of course, some experience and skill is necessary in the marketing so as to take advantage of high prices. And it is essential that the society should get a good

name for quality by rigorously abstaining from adulteration. It is not necessary that the society actually purchase the produce from the members; and it seems simpler that the society should act as the agent of the particular members concerned and should hand over the price secured to the members after deducting a small commission for the general fund of the society.

It would seem that there was a considerable scope for activity of this kind in this presidency. Few experiments of the kind have been attempted. In one case recently in Anantapur, the ryots of a certain tract being unable to get decent prices out of the local merchants for their paddy, advertised and held an auction of their paddy in bulk and secured a very much improved price by that means. Moreover in Tinnevely, under the guidance of the Agricultural Department, certain associations of ryots have jointly sold cotton of quality to big dealers for prices largely in excess of the ordinary.

The joint sale of produce, after its preparation for market by co-operative activity, is a great feature of co-operation in other countries. It is especially manifested in the English and Irish creameries in which very large profits are made. A number of farmers form a society to handle and market their milk; and expensive buildings and up-to-date machinery are acquired, generally on credit. The milk is all brought to the factory and is there turned into butter by the latest scientific methods, and the butter is sold wholesale to big merchants. The essential point about these creamerie, apart from the general advantages of joint sale described above, is that in the preparation of the raw produce (milk) for market (in the shape of butter) great economy and great efficiency can be secured by the use of expensive machinery. No individual farmer can produce anything like such good or such uniform butter or can produce butter anything like so cheaply in his own farm as it can be produced by the creamery with its up-to-date methods and machinery and its skilled supervision. And the up-to-date machinery is, of course, quite out of the reach of the ordinary farmer.

Can the essential principles of the creamery be applied to Indian agriculture and industries? It would seem that there is a reasonable hope that for the preparation of certain kinds of pro-

duce for market, some similar method might be used with great effect. The ginning of cotton, the crushing of cane, the cleaning of ground nut, the hulling of paddy are all processes necessary for the preparation of the raw material for the world's markets. And each of these processes can best and most economically be done by the use of expensive machinery. It would seem that in each of the cases, and probably in many more, there is room for co-operative activity analogous to that of the English and Irish creameries. It is not improbable also that similar activities could also be undertaken with profit by weavers. It would in all such cases, be necessary to get good advice about the kind of machinery to be used, and to take the same precautions as are referred to above, for the proper care and the repair of the machinery. And the same careful management of the business of sale would be required as in the sale of the raw article described above. Out of the prices secured by the sales enough would have to be retained by the societies to pay interest on the cost of the machinery and plant and to provide a sinking fund for its ultimate payment. Here also there are obvious conceivable variations as to the way in which the society should deal with its members into which it is not necessary to go.

Speaking generally, it may be said that, provided sufficient care and caution are shown, there is a great possibility of the development of the co-operative purchase of agricultural and industrial requirements and of the co-operative sale of industrial and agricultural produce in this presidency. But it is obvious that in the first experiments considerable caution is required.

## EXTRACTS AND SELECTIONS

### 1. A Railway Co-operative Society in Ceylon.

In 1914, it was found necessary to re-organise the system under which railway servants enjoyed certain privileges and facilities in obtaining their food supplies, and the question was raised as to whether a co-operative system such as has been of remarkable benefit to the railway employees of Great Britain and India could not be applied to Ceylon. In its assistant general manager and accountant, the railway was fortunate in having an official thoroughly well versed in the working of co-operative societies in England and he undertook, in his leisure hours, to create a scheme, on the basis of the English co-operative societies, that would enable any employee of the railway to obtain foodstuffs, and other requirements of his household under better conditions than would be possible by an ordinary purchaser on the open market. In due course the railway employees of all grades were invited to form among themselves a co-operative society.

The first essential was the provision of capital and to provide this the employees were given the opportunity of becoming shareholders. In order that this privilege might be open to all the shares were fixed at Rs. 5 each, and while no man could take more than 20 shares, facilities were afforded for any man to pay for one share by instalments. There was a prompt response from all grades, and a body of shareholders thoroughly representative of the railway service came into being. Owing to the war, however, the scope of the operations of the society had necessarily to be limited, although it was felt that a beginning could be made, principally in supplying rice. Accordingly, in July, 1916, the Ceylon Government Railway Co-operative Society came into existence.

Briefly, the system is as follows:—Every employee of the railway is given the opportunity of buying his food supplies through the society. The society buys the best foodstuffs available at the lowest prices obtainable. After a year's working one fact is beyond dispute: Employees who have bought their supplies through the society have obtained a quality many could not ordinarily afford at a price lower than would have had to be paid for an inferior quality if it had been bought by a single individual in the open market. At the same time the society has made a profit, which, after providing interest for the shareholders, is available for distribution among all who have bought their goods through the society in proportion to the purchases made. It is possible that under an expert co-operative manager and the normal conditions of peace even better results could have been

achieved, but, under the circumstances that existed, the first year's working was a most satisfactory and creditable accomplishment.

—Commerce.

## 2. Co-operation and Agriculture in Madras.

In Madras there are fourteen agricultural non-credit societies, twelve being purchase societies, and two for production and sale. The non-credit societies in various districts combine, and make joint purchases of seed, manures, ploughs and ploughshares, which they sell to their members. As regards the joint purchase of expensive implements for joint use by these societies, it is interesting to note that a society in the Tinnevely district bought a disc plough for Rs. 190 and hired it out to its members, receiving Rs. 57 in fees for its use during the year. In the Ganjam district a society has been formed with the object of purchasing improved sugar-cane crushers for hire to its members. Other isolated enterprises are also worthy of mention, such as the Manure Society in Tanjore, which undertook the manufacture of bone and phosphate manure, using an oil-engine and disintegrator, which were hired. The manures were produced at a rate cheaper than that obtained in the open market, and were sold at a small profit to the members. Another interesting departure is that of an agricultural society in the Godavari district which has taken a joint lease of 160 acres of waste land for eleven years, which it proposes to reclaim and cultivate on co-operative lines with the advice of the Agricultural Department.

—Commerce.

## 3. The Housing Problem.

The Bombay Co-operative Housing Association represents the most authoritative opinion on the housing question in the city. For more than three years it has studied the problem in all its bearings, and it has the advantage of practical experience to support theoretical deductions. From the fourth annual meeting of the Association there emerge certain general considerations which demand immediate attention. In the report presented to the meeting it is said that the Bombay Rent Act supplies only temporary relief from exorbitant rents, and the real solution lies in the rapid construction of houses in large numbers. That is not only the truth, but less than the truth; the Rent Act, necessary as it was to meet an immediate situation, will really be restrictive in its ultimate application, for it will deter builders from erecting dwellings, which they might otherwise have built, despite the high cost of materials, in the expectation of good profits. When, therefore, the operations of the Rent Act lapse, the lot of the tenant will be worse than before, for apart from other factors, building is being hindered by the unusual expense and the shortage of capital. The other, and vitally important point, is that private enterprise alone will never meet our needs.

It has not met the needs of the community in any progressive country, and all over Europe in some form or another the State has come to the assistance of the house-wanter. It is no answer to this general assertion to say that certain organisations, like the Saraswat Society and the Catholic Society, have been able to make a beginning without State aid ; the experience of these Societies conclusively shows that whilst, in exceptionally favourable circumstances, a beginning can be made, general progress is absolutely impossible without some form of State assistance. We were unable to go the whole way with the Hon. Sir Dinshaw Wacha when he urged, at the annual meeting of the Bombay Millowners' Association, that the duty of providing houses for those whose means are so small that they cannot be accommodated entirely by the ordinary law of supply and demand rests entirely with the State ; but we are entirely with him in the contention that the State in India has a definite duty in this connection, and that the formulation of a policy to meet it is an imperative necessity.

If we examine the conditions in this city, we find two great defects. The building trade here is wretchedly unorganised. There are at the outside only two or three firms who can be called building contractors in the true sense of the term. A lump sum contract is almost impossible of attainment ; our buildings are erected by men without capital, without organisation, without machinery, working from hand to mouth on expensive methods. It is indeed a commentary on the building trade in the city that an important contract for a public building should have been taken by a Calcutta firm. These easy-going ways were all very well when money was cheap and labour abundant and poorly paid ; they are totally unsuited to days when money looks for a quick turnover and labour is scarce and dear. A building of any size in Bombay takes about as many years to erect as it would take months in England or America. This lack of organisation applies to the supply of materials as well as to their employment. If any one wants to see the waste of energy and money typified, let him watch a gang of coolies taking an hour to haul a block of stone to the second or third floor of a building under construction ; or huge baulks of timber being hauled through the city by a string of bullock carts, to be sawn into small pieces *in situ*, when every piece ought to be cut to size in the saw-mill ; or bricks being landed at Caupatti in a manner calculated to cause the maximum of damage with the minimum of efficiency. Our buildings are erected according to the practice of the maistry instead of by engineers working in conjunction with the architect ; the materials are assembled through a multitude of petty contracts, instead of by a strong and ably managed building firm. In regard to finance the methods are equally primitive and ineffective ; instead of the big firm with the big capital and credit, we have the small firm with neither, paying through the nose for any accommodation which it wants. These are amongst the forces, apart from the inevitable rise in prices, which make building in Bombay so

expensive. We regard it as a public misfortune that the effort to float a strong company to take the work in hand failed. There were special reasons for this failure ; a more unbusinesslike prospectus was never issued : but the non-success of this effort will set back the hands of the clock for a decade at least.

We must have State help ; that help should be given through the employment of the credit of the State, not directly but through local bodies and banks or co-operative societies. The risk to the State is small, for it would not provide the whole capital, and the margin reserved would amply protect it from loss ; the gain to the building corporations would be immense. There is abundant experience to guide the Government of India, to be gained from England or the Continent. We are not in favour of any hard and fast rule and suggest that assistance should be along two or three proved lines, like loans to local authorities and building associations ; by guaranteeing the bond issues of co-operative building societies ; and by guaranteeing the debenture issues of banks which may specially devote their attention to financing co-operative building societies. If the Government of India were to depute a small committee, consisting, say of Mr. J. P. Orr, Rao Bahadur Talmaki and an officer of the Finance Department, to formulate a scheme it could be done with little delay. But we feel very strongly that the provision of funds does not go far enough. We have to devise means for the expenditure of those funds on principles more economical than those now obtaining in the building trade. It is not exaggerating to say that those conditions are at present almost the despair of men anxious to get building expeditiously, cheaply and well done, nor will those conditions be satisfied until we get bigger men, with abundant capital and the necessary plant and staff, engaged in the work. In this respect Bombay lags far behind Calcutta. One thing is clear ; without definite and early measures to meet the undoubted shortage of accommodation which exists, and which will increase in severity with each year's inaction, we shall be faced with an impossible situation soon after the end of the war. The existing system, or lack of system, has broken down and it needs to be supplemented by the use of the credit of the State and a more efficient building organisation.—*Times of India*.

## NOTABLE UTTERANCES

---

### **The Hon'ble Mr. Lallubhai Samaldas's presidential speech at the First Bombay City Co-operative Conference.**

The Hon. Mr. Lallubhai Samaldas in the course of his address, said :

As you all know, gentlemen, not only the British Empire but practically the whole of the civilised world is passing through the greatest struggle this world has witnessed between the ideals of force and repression on one side and those of liberty, equality, and fraternity on the other. It is only a few days back that the Prime Minister made that stirring appeal to the Viceroy in which, while recognising the splendid services this country has rendered to the Empire during this war, he asked for still greater assistance and still greater sacrifices. There can be only one response to such an appeal, not only because our interests are closely linked with those of the Empire but because it is in our land that from times immemorial heroes after heroes have upheld the fight for right against might that we deem it our duty to render all the assistance that we possibly can in our present circumstances to the righteousness cause for which the Allies are fighting.

Before coming to our own immediate needs and problems, may I refer for a moment to the larger problem of constitutional reforms on the correct solution of which will mainly depend the growth of this movement. Although the co-operative movement is one of recent growth, it is hardly fourteen years since the first Co-operative Societies Act was passed—the possibilities of its development and its effects on the moral and material progress of the masses have already been recognised as very great. This fact will have constantly to be brought to the notice of those who are now leading the political reform movement in this country. We may take it for granted that in any scheme of constitutional reform that the Secretary of State may submit to the British Parliament the popular representatives on the new councils will have almost a predominant voice in the administration of the departments of Agriculture and Co-operation. It is, therefore, essential that those of us who are keenly interested in the growth of this movement should not only disseminate the knowledge of Co-operation far and wide, but should also educate our representatives in the principles of co-operation and its advantages. Then only will this movement which can contribute not a little to the well-being of the masses thrive and then alone will it be saved from being neglected in favour of other movements which by their superficial glamour may appear more attractive than is justified by their real worth and merit. It is because a conference like this can assist in performing this useful function and can, by co-ordinating the activities

in the different fields of co-operation carried on in this city, focus the attention of the intelligentsia of Bombay on the co-operative movement, that I welcome the holding of this Conference and heartily congratulate the promoters on their attempt.

Leaving aside for the present the question of educating our future representatives on the reformed legislative assemblies, we come to the question of carrying on propagandist work in this city as well as in the whole of the Presidency. About the necessity of this there is no difference of opinion. That eminent co-operator Mr. Henry Wolff, writing as a keen student of the progress of co-operation in different provinces, says. "However, the movement wants to be coached and people still require a very large amount of teaching and guiding and supervising. It is the office of the Registrar to act as a guide, philosopher and friend. In a European country the task would naturally fall to volunteer organisers. In India you could not expect a sufficient number of such to be forthcoming. Hence it is for the State to provide for the teaching and supervision which it has up to a certain period very suitably done through the Registrar." On the other hand Mr. Crosthwaite, till lately Registrar of Co-operative Societies in the Central Provinces, says: "But far too little is made of the absolute necessity for training non-officials themselves to do much of the work that is now being done for them in the higher branches of co-operative activity by the Registrars and their subordinate officers." This tendency is fostered as Mr. Crosthwaite adds, "under the wrong impression that a Registrar's control and guidance is an efficient substitute for national enthusiasm and for the control and guidance furnished by federations of co-operative institutions. This, of course, it never can be." All co-operators, whether workers or students are agreed regarding the necessity for training unofficial workers not only to carry forward the lighted torch of the movement all over the country but also to guide and control the movement in its later stages. While he recognises that as in European countries this work should be done by volunteer organisers, Mr. Wolff, who has, it may be remembered, not had opportunities of studying at first hand, the conditions in India still thinks that sufficient numbers of such workers are not likely to be forthcoming in this country. That is an unwarrantable aspersion against the people of the country in general and in particular, against the non-official co-operators without whose help the movement in India would never have grown to its present height.

When we look to the fact that there is a strong feeling even amongst co-operators that the movement cannot continue to grow on right lines so long as its control is in the hands of the officials, it seems a wonder that so many persons of the right stamp have come forward to work for the cause. This result is due partly to the patriotic desire of these gentlemen to help their poorer and ignorant brethren and partly to the desire of the Registrars to enlist in the cause as many non-official workers as possible.

With the ideals of self-government in the air it will not be possible even for the most tactful and systematic of Registrars to get more new workers to join the movement until Government decide to give to non-officials a due share in guiding and even in controlling it.

The Central Provinces which is usually supposed to be a backward part of the country has gone ahead of the other parts of India, by electing a non-official, the Hon. Rao Bahadur Kelkar, as the Governor of the Co-operative Federation in which capacity he shares the control of the movement with the provincial Registrar. Although the Government of Bombay have not made any definite pronouncement on the subject we are justified from the attitude of the Registrar on this question in inferring that the Government is in favour of giving a large share in this work to the non-officials, thus leaving the Registrar full time to attend to his legitimate work of registration, inspection and auditing. I hope I am not giving away the Registrar when I say that he is formulating in consultation with the leading co-operators in Bombay, a scheme for the establishment of a Central Co-operative Institute. All the preliminaries have been arranged and at no distant date we hope to lay the foundation of a strong Co-operative Institute which is bound to pave the way for similar institutes in other parts of the country and take a lead amongst all such institutes in guiding the movement and helping it forward. To attain this eminent place we shall have, in the words of Lord Morley, "to keep away from all quackery and cant, whether it be the quackery of hurried violence dissembling as love of order or the cant of unsound and misapplied sentiments divorced from knowledge and untouched by cool comprehension of realities."

The city of Bombay can take justifiable pride as being the first in India to take up the work of starting co-operative societies for mill-hands and the poor municipal employees belonging to the depressed classes and financing and managing the societies through a private agency and establishing the debt redemption committees. The credit of initiating this movement belongs to my friend Mr. Devdhar, who made preliminary enquiries into the economic conditions of this class of people before making a beginning. While a great number of people have been helped by these societies very much more remains to be done. It was not possible to extend the operations of the debt redemption committee's work for the reason given in the Registrar's report. "Mr. Devdhar's indifferent state of health has unfortunately to some extent deprived the societies of his inspiring guidance." Those of us who have worked with Mr. Devdhar know what loss his absence means to the committee. As a result of his absence we have had to postpone the idea of forming a Central Banking Union to take up the duties of the Debt Redemption Committee to finance and supervise this group of societies.

The other class of societies which we can very well call our own are the housing societies started under the auspices of the Housing Association

with my friend the Hon. Sir P. D. Pattani as its first president. The difficulties in the way of finding in Bombay decent housing accommodation at a fair rental will most probably go on increasing even after the termination of war. Tenants will thus always be at the mercy of the landlords and one of the few ways of meeting this difficulty is to start co-operative housing societies now.

The Central Co-operative Institute will have to assign the work of organising and helping this class of societies to one of its sub-committees, and if the Government of India's reply to the representation of the Housing Association is a favourable one, there is no reason why with the help of men like Rao Bahadur Talmaki and others the unoccupied plots of land belonging to the Improvement Trust and other public bodies should not be studded over with buildings owned by the various co-operative housing societies.

Mr. Devdhar has, I believe, you are well aware, organised a movement for training up persons to undertake the work of secretaries of primary societies. This movement has now taken a definite shape and has succeeded so well that owing to a demand for similar training classes in the mofussil it was resolved at the last Provincial Conference to divide the work into two heads, primary and secondary training classes for secretaries, and to start the former classes at selected centres in the mofussil. As this work will grow it will open up a useful line of work of which the Central Institute should undertake the entire management.

So far for the past. The question naturally arises as to what should now be done for the future. I shall briefly refer to what I think are the pressing needs of the movement in the city for its own requirements as well as for such requirements of the mofussil as can best met from a centre of trade and commerce like this city. Some societies in the mofussil find it difficult to purchase for their members agricultural implements, manure or raw material of manufacture at reasonable prices and of guaranteed quality and correct weight. They also find it difficult to sell the produce of their members and it is worth considering whether a society should not be started here in the near future, to help the primary societies in both directions. We have a precedent for this in Bengal where "the Calcutta Consumers and Co-operative Home Industries Purchase and Sale Society, Ltd.," was registered in December last. As its name shows, this society is to do the purchase and sale work for its individual members, also it restricts its operation for affiliated societies to home industries only. If I may venture an opinion on a subject which is practically new to us, I would not have the same society work for individual and society members for these functions are quite distinct from one another, the first being the legitimate work of a co-operative store. I would not also restrict the proposed purchase and sale society to deal with products and manufactures of hand industries only.

Even if a banking union were started for the group of societies managed

by the Debt Redemption Committee there is a probability of a large number of limited societies for various objects being started in the Bombay city. Their chief need will be financial facilities and I think the time has arrived when the question of starting a city co-operative bank to finance limited liability non-agricultural societies should be taken into serious consideration.

I have only one more suggestion to make and that is about starting a general co-operative stores for the city with branches in various important localities or a number of co-operative stores each to serve a particular locality. From the purely business point of view the first alternative is preferable, as under it efficient management can be secured by giving due remuneration to the manager's staff. The only drawback to this type of society is that when there is a highly paid staff to manage a concern the members become lax in supervision work and they gradually lose interest in the institution which becomes more and more a business than a co-operative concern. In the second alternative, the turnover is not likely to enable proper remuneration being paid to the managerial staff and as a result the institution is not able to make much headway and there is a danger of its stagnating. Even the Triplicane Stores of Madras which may rightly be called the premier co-operative stores in India do not come half as near as an ideal co-operative stores of the type of the large co-operative stores in England. This Conference may very well express its opinion on this subject and also say whether it is in favour of the stores serving its own members or the general public also, giving the members a slight rebate.

# **CIRCULARS**

---

## **Bengal Circulars.**

**( No. 5 of 1918. )**

From the 22nd April 1918, a Joint Registrar of Co-operative Societies with staff will be located at Dacca in charge of the Dacca and Chittagong Divisions, except the district of Faridpur.

All officers of this Department and the Central Banks located within the charge of the Joint Registrar at Dacca are requested to address all communications, with effect from that date, to the Joint Registrar of Co-operative Societies, New Secretariat Buildings, Ramna, Dacca, and to advise the Societies under them to do so. The undermentioned papers should continue to be submitted to the Registrar of Co-operative Societies direct—

1. Audit notes of Societies.
2. Quarterly finance returns.
3. Travelling allowance bills of Honorary Organisers.
4. Diary of Honorary Organisers.

**( No. 11 of 1918. )**

The attention of all Central Banks and other limited liability societies is invited to Circular No. 13 of 1916, in so far as it relates to the Annual Statements prescribed under the Co-operative Societies Act for submission to the office of the Registrar or the Joint Registrar according to the instructions noted below, and they are requested to submit punctually, before the 10th July 1918, the following statements in the forms enclosed herewith :

- (1) A statement of receipts and disbursements from 1st July 1917 to 30th June 1918.
- (2) A balance sheet as at 30th June 1918.
- (3) A statement of profit and loss for the year ending 30th June 1918.

In the case of Societies which close their working year on 30th June, it will not be necessary to prepare another set of balance sheets for adoption by the General Meeting. The statements noted above should be drawn up in duplicate. One copy should be kept in the Society's office for check by the Auditors when they come round for audit, and the other should be submitted to the office of the Registrar or the Joint Registrar within the 10th July 1918, without waiting for the Auditor to check them.

## Societies situated in—

## Statistics to be submitted to—

Dacca Division except the District  
of Faridpur.  
Chittagong Division.

Joint Registrar of Co-operative  
Societies, Dacca, New Secre-  
tariat Building, Ramna, Dacca.

Rajshahi Division.

Joint Registrar of Co-operative  
Societies, Naogaon, Rajshahi.

Burdwan Division, Presidency  
Division, District Faridpur.

Registrar of Co-operative Socie-  
ties, Bengal, 6, Dacres Lane,  
Calcutta.

## REVIEWS AND NOTICES

For the past two years the Bureau of Markets of the United States has been issuing a number of bulletins on Co-operative Organization. The latest of these is on *Co-operative Purchasing and Market Organizations among Farmers in the United States*. It describes the various types of organization and gives a short account of a few representative associations. It also discusses the methods of financing and the business practices of the various types of associations. The extent of these organizations is striking. There are 12,300 associations distributed over the United States. The volume of business per organization shows that many of them are substantial business concerns. The average elevator represents an annual business of \$143,000, fruits and produce and cotton associations \$161,000, tobacco associations \$157,000 and livestock shipping associations \$90,000. The great central exchanges have much greater turnovers. The California Fruitgrowers' Exchange reports a business of \$27,700,000 in the year 1916. It seems that about half of these associations, although co-operative in spirit, intent and practice, are formed on the joint-stock plan. Their methods of financing, too, might improve since many of them pay very high rates of interest on loans from banks.

The Princeton University Press has issued an excellent work by Prof. Cumberland on *Co-operative Marketing*. The appearance of the work shows what an enormous literature is growing up on the subject of co-operation in America. Ten years ago if one was asked to recommend a text book for students of co-operation the classical works of Mr. Wolff and Mr. Fay's *Co-operation at Home and Abroad* would have alone occurred to one's mind. Since then besides other countries America has gone on studying co-operation on its theoretical side. Besides various excellent Bulletins of the United States department of agriculture there was an excellent manual existing in Powell's *Co-operation in Agriculture*. Mr. Cumberland has broken new ground by studying intensively one co-operative organization, the California Fruitgrowers' Exchange. He describes in detail the organization and management of the Exchange. He emphasizes the fact that competition between the members of the Exchange is not stifled by co-operation; on the contrary, organization stimulates wholesome rivalry between fruitgrowers and the manager of the various firms.

The Report of the *Operation of the Land Bank of Egypt in 1916* is very interesting as showing the influence of the war on the Land Credit system of Egypt. Owing to the presence of large numbers of British troops in Egypt the balance of trade was bound to become favourable to Egypt ;

and this tendency has been emphasized by the world's demand for the excellent Egyptian cotton. These circumstances have improved the financial conditions of Egypt and have placed large supplementary resources at its disposal. Coming to the affairs of the Bank we find that its mortgage business had been arrested since the beginning of the war and consisted mainly in transaction tending to consolidate and regularize certain old loans. But there existed signs at the end of the year that new business might at least be looked into so far as the non-attractive propositions were concerned. On the other hand we note an increase of arrears of debts due from 10,486,893 francs during the year before to 11,621,890 francs in the year 1916. Although the Egyptian agriculturist has been benefited by the higher prices of his produce this is to some extent discounted by his rising cost of production as well as by the restriction of credit under which he is suffering.



# BENGAL HOME INDUSTRIES ASSOCIATION.

**SALE DEPOT**  
**3A, HOGG STREET,**  
**SAMAVAYA MANSIONS,**  
**CALCUTTA.**

**AN INSTITUTION TO MARKET THE FINISHED PRODUCTS OF THE  
COTTAGE INDUSTRIES OF BENGAL.**

**Buttons,** m o p. and horn, splendid qualities, at surprising prices.

**Dacca and other muslins,** beautiful designs, white and dyed, dress lengths, blouse pieces, *saries*.

**Jharans and dusters** in all qualities, strong and lasting, at very low prices.

**Kashida cloth,** a rich silk embroidery, table covers, cushion covers and dress pieces.

**Tippera fine cloths,** suitable for dresses, door curtains, bed covers, the cheapest cloths in Bengal.

**Silks, matkas, baptas and tussars** of the best quality, suitings, shirtings and dress lengths.

**Bell metal, finger bowls, cups, glasses, and ornaments.**

**Ivory combs and ornaments, horn combs, rugs and blankets, tweeds and foot rugs.**

**Cutlery, pruning knives, penknives, table knives.**

**Leather, sheepskins, crone, and bark tanned, for Tops.**

**Apply for our Catalogue, no samples sent. Prices are real value**

**When ordering please mention "The Bengal, Bihar & Orissa Co-operative Agency."**

# **SRI BHARAT DHARMA MAHAMANDAL.**

**THE ALL-INDIA HINDU SOCIO-RELIGIOUS ASSOCIATION**

**General President :—H. H. THE MAHARAJA OF DURBHANGA, G.C.I.E**

**Subscription for General Members each Rs. 2 a year**

**Members have the privileges of—**

(a) The Mahamandal Benevolent Fund      (b) The Mahamandal Magazine (in English)

**A High Class Monthly FREE.**

(c) Mahamandal Sanskrit Publications at three fourth price

**Prospectus and Specimen Copy of the Magazine Sent FREE**

**AGENTS WANTED IN ALL IMPORTANT TOWNS, COMMISSION HANDSOME.**

**The General Secretary :—Sri Bharat Dharma Mahamandal  
BENARES CANTONMENT.**

**JUST OUT.**

## **INDIAN ECONOMICS.**

**Demy 8vo. p. p. 470 Cloth Bound by**

**Prof. V. G. KALE, M.A., of Fergusson College, POONA.**

**THIS** is a remarkable book on a subject of vital importance to the people of India at the present moment. It gives a vivid picture of the economic condition of India and discusses problems of the most urgent interest to the country. Highly useful to University student and public men.

**Good paper, bold type and strong binding**

**Price Rs. 4-8 by V. P. P. 4-12.**

**Copies can be had of—THE ARYABHUSHAN PRESS,  
BUDHAWAR PETH, POONA CITY.**

## **The Pabna Central Co-operative Bank, Ltd.**

**(Registered under the Act II of 1911)**

**Registered Office PABNA.**

|                           |     |                     |
|---------------------------|-----|---------------------|
| <b>Authorised Capital</b> | ... | <b>Rs. 2,00,000</b> |
| <b>Subscribed Capital</b> | ..  | <b>1,54,020</b>     |
| <b>Funds</b>              | ... | <b>20,000</b>       |
| <b>Working Capital</b>    | ... | <b>8,32,171</b>     |

**Investment in such banks are quite safe and sound as:**

- (1) They are purely Co-operative Banks
  - (2) They do not lend to individuals nor invest their funds in any speculative business.
  - (3) Their business is entirely conducted under the supervision and control of the Registrar of Co-operative Societies, Bengal.
  - (4) They invest their funds only in Co-operative Societies with unlimited liability
- Fixed deposits received and interest allowed at the following rates —**

**7½% per annum fixed for 4 years**

|            |   |   |          |   |
|------------|---|---|----------|---|
| <b>7½%</b> | " | " | <b>3</b> | " |
| <b>6½%</b> | " | " | <b>2</b> | " |
| <b>6%</b>  | " | " | <b>1</b> | " |

**For further particulars please apply to the Secretary.**

**When ordering please mention "The Bengal, Bihar & Orissa Co-operative Journal"**

## BUSINESS NOTICE

I. The annual subscription to the *Bengal, Bihar & Orissa Co-operative Journal*, including postage, is rupees three only for India and six shillings net for foreign countries, payable strictly in advance. A single copy of the Journal can be had for annas eight only.

II. The Journal will be ordinarily issued every alternate month. Short articles and correspondence on Co-operation and allied topics will be welcome. Rejected articles can be returned only if accompanied by stamped and addressed envelope.

III. Contributions must be written (preferably typewritten) on one side of the paper and must be accompanied by the full name and address of the writer which will be published only if the writer so directs.

IV. All remittances should be sent to Mr. N. C. Bose, Hon. Treasurer, B. C. O. Society, 6 Dacre's Lane, Calcutta.

V. All communications (including literary contributions meant for publication in the Journal) should be sent to Prof. P. Mahalanobis, Hon. Secretary, B. C. O. Society, 6, Dacre's Lane, Calcutta.

VI. The scale of charges (payable strictly in advance) for advertisements in the *Bengal, Bihar & Orissa Co-operative Journal* will ordinarily be as follows :—

### *For occasional insertions.*

|                      |     |     |     |                      |
|----------------------|-----|-----|-----|----------------------|
| One page             | ... | ... | ... | Rs. 15 per insertion |
| Half page            | ... | ... | ... | 8                    |
| Quarter page or less | ... | ... | ... | 5                    |

### *For insertion in six consecutive issues.*

|                      |
|----------------------|
| One page             |
| Half page            |
| Quarter page or less |

Screws, etc. cannot be seen or tampered with when Locked.

# DAS & CO'S PAD-LOCKING BARS

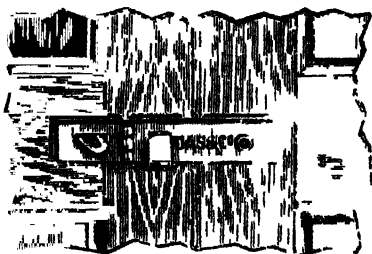
( Hasp & Staple Pattern )

MADE OF

**MILD-STEEL**—(Japanned or Galvanized),

FOR

**GODOWNS,  
OFFICES,  
SHOPS and  
DOMESTIC use.**



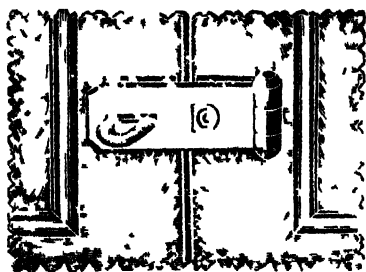
Swivelling (Locked)

**"A"—PATTERN (Swivelling.)**

| Size | Price Each |     |   |   |
|------|------------|-----|---|---|
|      | 1          | 2   | 3 | 4 |
| 8    | 2          | 1/2 | 1 | 1 |
| 10   | 2          | 1/2 | 1 | 1 |
| 12   | 2          | 1/2 | 1 | 1 |
| 14   | 2          | 1/2 | 1 | 1 |



Swivelling (Open)



Folding (Locked)

**"B" PATTERN (Folding.)**

| Size | Price Each |     |   |   |
|------|------------|-----|---|---|
|      | 1          | 2   | 3 | 4 |
| 8    | 2          | 1/2 | 1 | 1 |
| 10   | 2          | 1/2 | 1 | 1 |
| 12   | 2          | 1/2 | 1 | 1 |
| 14   | 2          | 1/2 | 1 | 1 |

**DAS & CO.,**  
**CHITPUR LOCK & SAFE WORKS,**

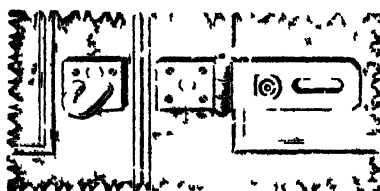
The "ABBA" M.P.P.

14, Cossipur Road, Cossipur P. O.

Phone—No. 416

Telegrams—SAFEGUARD

**CALCUTTA.**



Folding (Open).



# BENGAL HOME INDUSTRIES ASSOCIATION.

## *SALE DEPOT*

3A, HOGG STREET,  
SAMAYAYA MANSIONS

*Branch Sale Depot* 170, Cornwallis Street,  
CALCUTTA.

AN INSTITUTION TO MARKET THE FINISHED PRODUCTS OF THE  
COTTAGE INDUSTRIES OF BENGAL.

**Buttons,** m. o. p. and horn, splendid qualities, at surprising prices.

**Dacca and other muslins,** beautiful design, white and dyed, dress lengths, blouse pieces, *saries*.

**Jharans and dusters** in all qualities, strong and lasting, at very low prices.

**Kashida cloth,** a rich silk embroidery, table covers, cushion covers and dress pieces

Tippera fine cloths, suitable for dresses, door curtains, bed covers, the cheapest cloths in Bengal.

Silks, matkas, bapras and tussars of the best quality, suitings, shirtings and dress lengths.

Bell metal, finger bowls, cups, glasses and ornaments.

Ivory combs and ornaments, horn combs, rugs and blankets, tweeds and foot rugs.

Cutlery, pruning knives, penknives, table knives.

Leather, sheepskins, crone, and bark tanned, for Tops.

Apply for our Catalogue, no samples sent. Prices are real value.

When ordering please mention "The Bengal, Bihar & Orissa Co-operative Journal."

FOR ALL KINDS OF  
**GOLD & SILVER ORNAMENTS**

PLEASE CALL AT

**Messrs. GHOSH & SONS,**

Manufacturing Jewellers,

Gold and Silver-Smiths, Watch and Clock Dealers and

Repairers Engravers and Opticians

BEST MATERIALS  
 BEST WORKS  
 BEST PRICES

IF YOUR WATCH NEEDS  
 REPAIRS SEND IT TO US

WORK CARRIED  
 OUT BY BEST  
 WATCH MAKERS

E. B. 18, College St., Municipal Market, Calcutta.

Head Office: Harrison Road,

Branch:—Radhabazar Street,

Calcutta.

**The Pabna Central Co-operative Bank, Ltd.**

INCORPORATED IN INDIA

Registered Office: PABNA

|                    |     |           |
|--------------------|-----|-----------|
| Authorised Capital | Rs. | 3,00,000  |
| Subscribed Capital | ... | 1,00,488  |
| Funds              | ... | 20,000    |
| Working Capital    | ... | 10,80,980 |

Investments in such banks are quite safe and sound as

- (1) They are purely Co-operative Bank
  - (2) They do not lend to individual nor invest their funds in speculative business
  - (3) Their business is entirely conducted under the supervision and control of the Registrar of Co-operative Societies, Bengal
  - (4) They invest their funds only in Co-operative Societies with unlimited liability
- Fixed deposits received and interest allowed to the depositors who are residents of the Pabna Sadar Sub-Division as follows:

|     |           |                     |
|-----|-----------|---------------------|
| 8½% | per annum | to five for 4 years |
| 7½% | "         | 3                   |
| 7½% | "         | 2                   |
| 6½% | "         | 1                   |

Depositors from outside are requested to settle the rate of interest by correspondence

When ordering please mention 'The Bengal Bihar & Orissa Co-operative Journal'



# The Bengal, Bihar and Orissa Co-operative Journal

SEPTEMBER, 1919

## CONTENTS

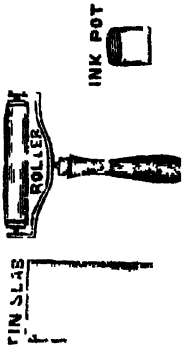
|   |      |
|---|------|
|   | PAGE |
| 1 NOTICES AND NEWS  | 65   |
| 2 URBAN BANKS IN INDIA  | 1    |
| 3 CO-OPERATION AND INDUSTRY                                       | 25   |
| 4 RECENT CO-OPERATIVE DEVELOPMENTS IN BENGAL                      |      |
| (1) Nurpur Co-operative Union                                     | 3    |
| (2) A Co-operative Store at Fardpur                               | 7    |
| (3) The Calcutta Co-operative Swadeshi Store                      |      |
| (4) A Central Co-operative Bank at Meherpur                       | 68   |
| (5) A Proposed Municipal Co-operative Society                     | 8    |
| (6) The Bengal Agricultural Society                               | 61   |
| (7) A Serampore Store   | 80   |
| (8) A Store at Feni   |      |
| (9) Fishermen's Co-operative Societies                            |      |
| (10) The Co-operative Movement in Moulvibazar                     | 6    |
| (11) Proposed Co-operative Society for Khairpur                   |      |
| (12) New Activities of the Brahminbaria Central Co-operative Bank |      |
| (13) The Jamalpur Co-operative Store                              |      |
| 5 A CO-OPERATIVE CONFERENCE AT PAUSA                              | 1    |
| APPENDIX A  |      |
| A Note on Sunday Classes  |      |
| APPENDIX B  |      |
| A Note on Co-operative Partnership Societies for Orissa Villages  | 105  |
| 6 EXTRACTS AND SELECTION  |      |
| (1) Mr. Devadhar on the "Message of Western Co-operation"         | 1    |
| (2) Women on Co-operation   |      |
| (3) Mr. Ewbank on Co-operative Trading                            | 138  |
| (4) Dr. J. Matthar on the Co-operative Movement                   | 110  |
| (5) Agricultural Problems of Bengal                               | 112  |
| 7 NOTABLE UTTERANCES—   |      |
| H. E. Sir George Lloyd's Speech                                   | 110  |
| 8 CO-OPERATION ABROAD—  |      |
| Organisation of Agriculture                                       | 110  |
| 9 CORRESPONDENCE—   |      |
| (1) Mr. Wolff on Urban Banks                                      | 122  |
| (2) Supervisors of Co-operative Societies                         | 125  |
| 10 REVIEWS AND ACKNOWLEDGMENTS                                    | 128  |

# THUMB IMPRESSION APPARATUS



Highly recommended for the use of Co-operative Banks by the Registrar of Co-operative Societies, Bengal, Behar and Orissa, Assam, United Provinces, Central Provinces, Baroda, Punjab, etc.

*Special rates for Co-operative Societies*



**RAY BROTHERS**

**WRITING INK & HIGH CLASS RUBBER  
STAMPS MANUFACTURERS, WOOD &  
METAL ENGRAVERS.**

**86, Harrison Road, Calcutta.**

When ordering please mention "The Bengal, Bihar & Orissa Co-operative Journal."

**The**

**INDIAN CO-OPERATIVE**

**JOURNAL.**

— JOURNAL —

**Vol. V**

**SEPTEMBER, 1919**

**No. 1**

## **NOTES AND NEWS**

It is exaggeration to say that the great event of the year in the co-operative world is the appearance of Mr. Wolff's 'Co-operation in India'. Our expectations were high when he announced that the excellent co-operative writer would be writing on the subject, and these expectations have been fully justified. Every page of the book bears the impress of the author's touch and of the insight which came from deep and personal knowledge of Indian conditions. Incidentally we learn that the first step in Indian co-operation owes to the inspiration of the author and the advice of Mr. Wolff. It was he who broached the introduction of co-operation of Indians in the official circles in London, it was he who advised Sir Charles Bernard on the introduction of co-operative credit into our country. He assisted Mr. Dupernes in his study of the system and he could well claim Mr. Dupernes as 'in some sense a pupil of mine in this business.' Mr. Wolff's memorandum on and criticism of Sir F. Nicholson's Report is in itself a little co-operative classic. We saw him later still starting the idea of a Co-operative Act and then submitting the Bill prepared by the Simla Committee to luminous criticism. Further he saved Indian co-operation from the peril of excessive state aid because Mr. Dupernes's proposal 'providing for a right royal endowment for widespread spoon-feeding was still before the Council,' nor was Sir F. Nicholson

averse to accepting state aid. But if all India is under great obligations to Mr. Wolff in the matter of co-operative progress, the debt which Bengal owes to him is the greatest. For it was Mr. Wolff who encouraged Mr. Gourlay, the first Registrar for Bengal, "who has done yeoman's work for the movement, and to whom the movement is to a large extent beholden for a sound foundation laid". A large review article would be required to do justice to Mr. Wolff's epoch-making work. But meanwhile we make no apology to our readers for introducing them to some of Mr. Wolff's pronouncements on current co-operative controversies.



We have heard much recently of the controversy about "the true sphere of central banks". One of Mr. Wolff's complaints against Indian Co-operative Credit in its present shape is that under it "Central Banks are employed for different purposes than those for which institutions of this kind were really designed seemingly as a permanent arrangement". He takes his stand on the principle "in responsibility decentralisation, in finance concentration". The function of the Central Banks is to serve as balancing-stations and not to serve as instructors or to audit. Basing himself on a rich and varied foreign experience he argues that financial institutions are not qualified for the task of tutoring, advising and supervising village societies, for the representative of the central will look at things from his own point of view and has at once different interest from those of the village bank and different rules of action. On the other hand finance requires centralisation and "the trend of things is rather in the direction of Central Banks gradually losing their permanence as Provincial Banks develop and gather force. There is no permanent need to keep local societies in tutelage rather they should be trained to self-management as an educative agency. To start with and on account of the prevalent illiteracy there must be leading strings but "those leading strings ought to be held with a light hand". The Central Bank is no substitute for the supervising Council and it is the local society which should be made the corner stone, the guarantee of strength and to its hands should be entrusted the task of the education of its members.

There is such a plethora of riches in this book that it is a difficult task to pick and choose. But our conferences have so often debated the question of Penal Interest that it will be interesting to our readers to see how Mr. Wolff decides the point with a master's judgment and authority. Mr. Wolff advises the Government to come in this matter to the aid of the societies. He cannot see why such penalising should have been disallowed. If the penalising is disallowed he would resort to the idea of "charging a higher rate of interest than is usual on loans in general and allowing a discount when the proper date is observed".



While discussing the progress of Co-operation in India Mr. Wolff tries to meet the criticism of Mr. Ascoli and Sir D. Hamilton as to the alleged slowness of the growth. Mr. Wolff's view is that the rate of progress and increase will be multiplied as the movement gathers momentum and force. He refers to a parallel case, the growth of the British Co-operative Union of which the societies multiplied at first only at the rate of units but of which the rate was accelerated until three and three quarter millions of members could be counted on their roll.



The first District Co-operative Conference in Bengal is going to be held at Khulna on the 14th of September, 1919, under the Presidency of Mr. Thorp, the Collector of the District. The programme of the Conference includes speeches on various aspects of the Co-operative movement, consideration of local needs and problems and distribution of B. C. O. S. medals to the Secretaries of the three best managed rural societies in the District of Khulna. The Khulna Co-operators are to be congratulated on being the pioneers in inaugurating this new mofussil propaganda work; and let us hope that Khulna with its energetic band of Co-operative workers will also be the first to establish a Branch of the B. C. O. Society. A full report of the proceedings of the Khulna Conference will be published in our next issue.

A Co-operative Society—whatever its form may be—differs from any other kind of Society in an important point, *viz.*, that its members are—or are expected to be—actuated by the truly Co-operative spirit which is nothing but a spirit of mutual helpfulness and sympathy and an attitude of benevolent self-sacrifice and disinterested selflessness in their relations with all Co-operators. A Co-operative society of which even a single member is lacking in this Co-operative spirit does not deserve its name. That day would be a glorious day for Bengal when it could be said that all her Co-operators were actuated by the truly Co-operative spirit !

The Bombay Provincial Co-operative Conference will be held under the Presidency of His Excellency the Governor of Bombay, at the Council Hall, Poona, on September 15th next, when about 300 delegates will attend. On the opening day it is proposed to hold a full-dress debate and to deal in full Conference with three or four subjects only of outstanding general importance. Thereafter the proceedings will be carried on in Sub-Committees. On the opening day the following gentlemen have agreed to speak—the Hon'ble Rao Bahadur Kelkar, Governor of the Central Provinces Federation on "Payment for Audit"; Mr. G. K. Devdhar, M.A., "The Co-operative Stores Movement"; Hon'ble Mr. Lallubhai Samaldas, C.I.E., on "the Future of the Central Co-operative Institute."

During the past two or three months a large number of central banks, stores and unions have been started in different parts of Bengal : others are about to be started. The most prominent among those recently started are—the Calcutta Swadeshi Co-operative Stores, Ltd., the Faridpur Co-operative Stores, Ltd. and the Nurpur Co-operative Union, Ltd. The last of these three has been started with the object of providing rural banks in every village in the Union which, by the way comprises 50 villages. A co-operative stores has also been started in connection with the Union for the sale of goods at a cheap price to the Union members. The other interesting features of the organisation are the opening of a

dispensary, an agricultural society and a night school. Facilities are also to be provided for medical help to the villagers. This is a move in the right direction and we hope that Nurpur's example will be followed by other places for in such organisations lies the sure way to progress.



We have received a copy of the Annual Report and statement of account of the Bihar and Orissa Provincial Bank, Ltd., for the year ending on the 31st of May, 1919. The working of the Bank has, we are glad to note, resulted during the year under review in a profit Rs. 23,646. The Directors have recommended a dividend of 6 p.c. on the paid up portion of Preference shares. The Directors consider the result of the working of the Bank as extremely satisfactory in spite of failure of the monsoons and general scarcity; the Directors also say--“The co-operative movement as a whole is making rapid progress in the Province as will be evident from the fact that the Bank has now 50 Central Banks to deal with as against 21 last year, and that there are over 200 society accounts as against 120 dealing directly with the Bank.”



We have also received the Fourth Annual Report of the Board of Directors of the Mysore Provincial Co-operative Bank, Ltd., for the year ending on the 30th June, 1919 the net profits earned during the year together with the balance of profit brought forward from the previous year amounts to Rs. 11,925; a dividend of 6 p.c. has been declared. We are glad to note that the Bank has issued to all the affiliated societies leaflets in Kannada on the Ten Main Points of Co-operation and on the method of sanctioning and issuing loans to members.



We are glad to find from the Report of the First Travancore Co-operative Conference held in May last that Travancore is forging ahead in Co-operative progress. The papers read at the Conference included such interesting topics as “Economics and co-

operation", "Co-operative Societies and Women", "Distributive Societies," Co-operative Societies and Cottage Industry."



At a recent meeting of the Imperial Legislative Council the Hon'ble Mr. Mant introduced the Land Acquisition Act Amendment Bill. The object of the Bill was to afford registered societies within the meaning of the Co-operative Societies Act, 1912, the same facilities as companies as defined in section 3F of the Land Acquisition Act, 1894, for the compulsory acquisition of land required by them. Difficulties in securing sites for buildings are often experienced by these societies and it is desirable that they should be put on the same footing in respect of facilities for the acquisition of land as companies. Opportunity has also been taken to grant the same facilities to societies registered under the Societies Registration Act, 1860, and the necessary provision has been made in the Bill.



The following letter No. 5-198 dated the 25th August 1919 from the Post Master General, Bengal and Assam Circle to the Registrar of Co-operative Societies, Bengal, is published for the information of Bengal co-operators—

*"With reference to the correspondence ending with your letter No. 329-T.C., I have the honour to say that the Director-General of Posts and Telegraphs, has decided that Co-operative Societies in Bengal may, in accordance with the explanation (2) below Rule 42(a) of the Rules for Depositors, be permitted to open separate public accounts for (1) The Reserve Fund of the Society, (2) The Reserve Fund of affiliated Societies and (3) The Ordinary Funds of the Society. Necessary instructions may kindly be issued to the Co-operative Societies to close all public accounts opened by them for Building Fund, Sinking Fund, Inspection Fund, etc., etc."*

## URBAN BANKS IN INDIA

Urban societies are meant to meet the needs of the middle classes, in particular of shop-keeping and industrial classes in the matter of credit. There is good authority and reason for including in this study a consideration of the different varieties of non-agricultural credit societies—peoples' banks, employees' societies and communal societies. It is necessary to study together these species of non-agricultural credit societies because they have common characteristics of considerable importance which distinguish them from agricultural credit societies. It is interesting to find how each one of these varieties has taken advantage of local circumstances to develop itself markedly in some geographical division of India, thus, employees' societies have achieved the greatest development in Bengal; peoples' banks have flourished most in Bombay, Deccan and Madras, while caste societies have manifested their strength chiefly on the eastern coast. This is the state of things at present but it is safe to prophesy that the near future India might witness a general growth of employees' societies, and that these societies will lead the way in the development of urban co-operation.

It is not meant by this that we should be content with a considerable development of employees' societies; the true harvest of benefits from urban co-operation will not be reaped until the country is covered by a wide spread organisation of large and small peoples' banks in the true sense of the term. But, as it is, employees' societies possess special advantages as regards formation, working and combination.

We know the great achievements of urban co-operation in foreign countries where it has assisted commerce and industry and even agriculture, and has set up great financial institutions which

\*[This contains the substance of a lecture delivered by Prof. J. C. Coyajee at a meeting held under the auspices of the B. C. O. Society at the Calcutta University Institute Hall on the 21st of August, 1919 under the presidency of the Hon'ble Sir D. P. Sarvadhikary.]

perform a considerable part of the banking work of the countries. But, perhaps, no other country stands in such great need of urban banks as India. The slow and halting growth of joint stock banking in India has left large areas of the country vacant in which urban banks can introduce financial facilities. The MacLagan Committee observes that "recent experiences in Northern India have shown the dangers of the policy under which Government allowed banking institutions to spring up and carry on business under a control so light as to be almost nominal, but we think that urban credit societies might serve a useful purpose in training the upper and middle urban classes to understand ordinary banking principles .... Where joint stock banking facilities are absent they might fulfil a useful purpose, and we see advantages in encouraging their formation." The recent Indian Industrial Commission has shown that, outside the presidency towns, Indian capital is unorganized and that the smaller businessmen and industrialists find very great difficulties in obtaining financial facilities. Urban banks can serve an important purpose in organising capital in our cities as well as in the mofussil towns, and they can do for the small industrialists and businessmen what rural societies have done for the agricultural classes. There are many small scale industries which India yet possesses but which might die out without the financial help which urban banks might afford; such industries can be rendered prosperous if managed by co-operative industrial societies backed up by urban banks. These banks might also be of great use in increasing the prosperity of the industrial proletariat which India is evolving. Finally, there are the great problems of bringing out and of utilising hoarded wealth, of reducing the wasteful use of metallic money and of accustoming people in India to the use of credit and notes—problems the solution of which cannot be achieved until an urban bank system is fully developed. The representatives of the Indian Exchange Banks admitted before the Chamberlain Commission that the Institution which they represented could not deal with the problem of hoarded wealth. Great as has been the work of urban societies in Europe, India presents to these institutions a field of far greater possible achievements and utility.

Before proceeding to study separately the different varieties

of non-agricultural credit societies we might with advantage classify them under their main heads.

(I) Peoples' banks of the Schulze Delitzsch type, of which the membership is constituted from among those resident within a given town. They might be divided into two classes—the larger institutions and the smaller ones. The bond of propinquity of residence is common to both these groups; but the larger institutions with their ampler resources aim not only at meeting the needs of their immediate clientele but also at financing other societies in the neighbourhood.

(II) Employers' Societies—These might be sub-divided into :—

(1) Societies of Government employees. This is an important class with distinguishing features of its own, and consists of—

(a) Societies which admit to membership all classes of Government servants living in a particular area.

(b) Societies confined to men employed in a single office or department

(2) Societies of which the membership consists of the employees of private firms.

(III) Communal Societies—Here the co-operative nexus is the common feeling amongst men belonging to the same community. They comprise—

(1) Caste societies.

(2) Societies with some religious persuasion as the basis of union.

The larger peoples' banks serve the double purpose of financing their own clientele as well as rural and other societies in the neighbourhood. Their rise has been greatly assisted in India by the paucity of the branches of the joint-stock banks. As the Bombay Registrar observes : "The success of this type of society in many places has been remarkable. Throughout the southern and central divisions there are practically no joint-stock banks at work and it is by no means easy for artisans and middle-class people to secure loans when they require them on reasonable terms or to find institutions in which they can deposit their savings with safety." When discussing the great success of the Toungoo and

Nyaunglebin urban societies, the Registrar of Burma remarks in the same strain that "what is necessary is branches of joint-stock banks. Many districts have no satisfactory depositories for the money of the wealthier classes of traders during the slack season." It is remarkable that while in Europe the existence and strength of joint-stock banks have assisted the growth of peoples' banks in India, the rise of urban banks has been helped on by the comparative absence of ordinary banks. Moreover, the failure of swadeshi banks has at once popularised our peoples' banks and has left them without rivals. This peculiarity of environment while favouring the growth of our urban banks exposes them also to certain dangers. They have been tempted to approximate their methods and aims of the ordinary banks and indeed to try to convert themselves into joint-stock banks. Want of competition has sometimes permitted an undue extension of membership and area of operations. That much advantage has not been taken of such opportunities is due to proper supervision from the headquarters. The great majority of our peoples' banks have done their work very well indeed. Among those which have achieved special distinction might be mentioned the Gadag-Betigeri Bank and the Hubli and Dharwar Urban Societies on the Bombay side. Alike in the growth of capital resources and membership and in the conduct of their business by committees, these banks have built up high traditions. A considerable proportion of the capital is derived from the members, and in some cases as much as 50 per cent. of the profits have been carried to the reserved fund. Some of them like the Satara Urban are financing groups of agriculturists in their neighbourhood in the hope of ultimately converting them into separate registered societies. On Bengal side the development of peoples' banks is smaller; yet there are examples of successful institutions of that type. Thus, the Jalpaiguri Urban Bank has been very successful and has not only financed a number of neighbouring agricultural societies but has resisted the formation of a central co-operative bank in order that it might expand this business. In Burma the example set by the Nyaunglebin Urban Society has roused considerable interest in the growth of urban banks, and a number of such institutions have been projected for various towns.

Employees' societies combine a number of features which

conduce to soundness of management and to the development of the true co-operative spirit. Thus, in the first place, they consist of homogeneous groups of men in a similar occupation and station in life. Persons who are constantly in contact with each other in their daily work, and who have the tradition of common employment, are very good material for co-operative work. There is the further advantage in the case of such societies that great encouragement could be given to the movement by the employers or official superiors. Moreover, in these societies the procedure of the deduction of dues from the incomes of members can be carried out with the greatest facility. Finally, the employees' class—at least that class of employee who are working in Government and private offices—can be said to be that class in India which has most perfectly developed its economic characteristics as distinguished from other sections of the middle class which are yet in a state of transition.

It cannot be denied that from the purely co-operative point of view there are drawbacks to the undoubtedly great utility of employees' societies. There is not much moral force in them. Compulsory recovery has not the moral effect of voluntary repayment. The Committee itself cannot be called truly co-operative because many of the members are officially subordinate one to the other and cannot meet and discuss matters on equal terms. The head of the office runs the institution under his own authority to a large extent, and may even use the society as a method of enforcing and checking strikes.

In India, caste is a particularly strong unifying force and it has been applied successfully in the service of co-operation. On the Bombay side an outstanding example of successful work is the Shamrao Vithal Society for the Saraswat Brahmins which has every year continued to surpass its own record until its "remarkably good management has set up a standard which it will be very difficult for any of its rivals to surpass." The introduction of a cash credit system for the use of businessmen, the inauguration of an educational fund from the profits, and the issue of debenture stock for redeeming the mortgage debts of the members are additional features showing what co-operation based on caste can do for the good of its members. The Society has also demonstrated

the value of caste as a vehicle of co-operation by starting a number of branches in different centres which might ultimately become independent urban banks. It is quite possible that a number of urban banks belonging to the same caste might combine to form a central urban bank for the purposes of finance by propaganda. Finally, the success of the banks formed by Saraswats has aroused emulation in other castes, and the Bhavsar Kshatriyas, the Devrukh Brahmins, the Reddis, the Poona Shimpis and others are trying with excellent results to emulate the Saraswats and to spread the urban bank movement. There is hardly an instance on record of a badly managed caste society. Looking to such unvarying success of caste societies on Bombay side it might be suggested that other provinces should start energetic propaganda on the line of caste—an institution which can evoke the greatest possible amount of devotion and energy in India.

It cannot be said that the urban co-operative system of India has made anything like the progress that it might be expected to have made; its rate of progress might be called small even when compared with that of rural co-operation in India. As Mr. Wolff says, "what so-called 'urban' credit societies there are—and their number is small are in the main composed of civil servants, commercial or industrial employees; or else very small artisans, principally weavers but also scavengers, *ekka* drivers and the like." The reason for this state of things is that attention was concentrated on rural co-operation hitherto; but there are signs now that the progress of urban co-operation is about to be expedited. The appointment in Burma of a Special Assistant Registrar for the development of the urban side of co-operation is a welcome sign that the development of urban co-operation will be pushed on with a new energy. The demand for banking facilities and for the organisation of urban and rural finance has gone on increasing with every year. But if the urban banks are to multiply and fill the vacant space between joint-stock banks on the one hand and agricultural credit banks on the other, they require a more vigorous principle and rate of growth. Perhaps the line of development marked out by Mr. Dupernex at the beginning of the century might be followed with advantage. As urban banks develop in district towns they should establish agencies or branches in the same town

or in the smaller neighbouring towns ; such branches might flourish for a time under the auspices of the original banks, but they should ultimately mature into sister-banks. In the earlier stage they should be managed by local punchayets which should be vested with general power to manage the branch under the control of the board of directors of the central institution. In Bombay there is a remarkable example of the establishment of such local agencies in the case of the Shamrao Vithal Society, and in Madras in the case of the Triplicane Urban Co-operative Society. Both peoples' banks and caste societies are in a specially favourable position for propagation on these lines.

But it is not enough to increase the number of urban banks. Our task is to improve the organisation and to increase the momentum of the aggregate urban system. For this purpose we cannot take the short cut adopted in some parts of Europe by increasing the size of individual urban banks ; though even along this line there seems to be some opportunity and scope for our activities. In the main, however, we should take care not to let individual banks become too large for work on sound co-operative lines ; and what we should aim at is to combine the strength of primary urban societies into powerful urban banks.

## CO-OPERATION AND INDUSTRY \*

It seems that in either case—when carried on by the state and when carried on by co-operative associations—the industries of a country would be carried on for the benefit of the community; the desire for exploitation and profit would be eliminated and the industry would be controlled by the community. But in the case of the Co-operative associations—the control of the members would be more efficient, the industrial operations would be more efficiently conducted, and the good of the community would be better secured. Co-operation furnishes a better remedy for the evils of the present Industrial system than state socialism.

There is however, one aspect of the question which should be considered here. When an association of consumers undertakes production—all the members of the association are not actually engaged in production. The Rochdale Equitable Pioneers' Society, the English and the Scottish Wholesale Societies have their own mills and factories for producing some of the commodities, which their members require. The object of production in each case is to supply the needs of the members, and not to make profits. The mills and factories produce those things only, and those of the quality, which their members want. No shoddy things are produced for sale instead of excellent things for use. But the relation of those who are employed to produce the things to the society is that of employees to the employers, and the former have no control over the Industrial operations. The wages paid by the society are certainly better than what are paid by capitalist employers, but the labourers are not satisfied with their position under Co-operative Organizations either. They have no control over the conditions of their employment, and when the interests of the employer and the employed in the factories clash the latter feel the injustice of the decision resting entirely in the hands of

\*[This contains the substance of a lecture delivered by Mr. T. C. Roy at a meeting held under the auspices of the B. C. O. Society at the Calcutta University Institute Hall on the 15th of August last under the presidency of Hon'ble Sir R. N. Mookerjee.]

the employer. Strikes have in consequence often taken place in Co-operative factories as well.\* From the nature of the relation between the employer and the employe, it is not possible to give to the latter any effective control over the conditions of employments. As Mr. Leonard Woolf has so well pointed out in his admirable book "Co-operation and the future of Industry", if those, who have to obey orders in the factory, were ultimate judges of whether these orders were right or wrong, discipline in the factory would break down entirely and the Society would come to grief. In England the Co-operative associations are composed mostly of working class people, and the sympathies of the members are with those employed in the factories of the associations. This affords great protection to the employes no doubt. But it does not enable them to feel any adequate sense of security, and Mr. Woolf has suggested that the Trade Unions, which are the proper representatives in England of particular classes of labourers should be recognised within a Co-operative movement, and be given a share in the control of the conditions of employment of the classes of workers in the factories, whom they represent. When a dispute arises between the labourers employed in the Co-operative factory and the Executive of the Society the dispute should be decided not by the Society alone, but the Trade Union representing the particular class of workers should also be invited to take part in the settlement, and a definite status should be assigned to it within the movement.

If co-operation is to be applied to industries, production must be undertaken by the consumers. When it is undertaken by persons other than consumers, the desire for profit is almost certain to come into operation. When profit is the motive for production, it is impossible to eliminate competition from the field. Other associations, Co-operative and non-Co-operative, are engaged in producing the same commodities, and competition has full play in the dis-

---

\*The following telegram appeared in the *Statesman* of the 11th September, 1919.

London, Aug. 18.

Owing to a threatened strike the co-operative societies of Yorkshire, Lancashire, Cheshire and North Wales have locked out 30,000 employees.

posal of the things produced. When however, production is undertaken with the sole object of supplying the needs of a particular group of people, who combine for the purpose, the commodities produced have a market ready for them. We have in Bengal a fairly large number of Co-operative Societies among weavers and other producers. They produce things not for the use of the members of the Societies, but for sale to the outside public, and the public make their choice between the articles produced by these societies and those produced by others. The competition is unfettered, and the societies do not always win in it. The greatest obstacle in the way of the success of producers' associations is the difficulty in securing a market for their products.

Capitalist enterprise has got a long start of Co-operation, and if Co-operation is to win in the struggle with capital, it must rest on a secure foundation. We must therefore, be sure of the market before we undertake production under the Co-operative system, and we can never be sure of the market unless production is undertaken by the consumers themselves

In England the Co-operative movement had the right beginning. The Rochdale Pioneers were an association of consumers, who combined to supply the needs of the members, and for this purpose, to manufacture such articles, as might be manufactured by them. The society now manufacture lots of things for its members. The English and the Scottish Co-operative Wholesale societies have also undertaken manufactures on a big scale. These Societies manufacture things not for profit, but for use of their members, and have no motive to produce things, which are really not wanted by them. They carry on their business therefore without advertisement, and are able to compete with non-co-operative concerns.

In India we began with Co-operative Credit, and it was not before we had worked for 8 years with credit societies that we turned to other forms of co-operation. We have recently turned our attention to Co-operative production. But the production is for sale to those who have not joined the movement. These have not evinced any great desire to patronize co-operative production. It should be ~~ascertained~~ <sup>ascertained</sup> whether production by consumers' associa-

tions does not give a better promise of success.

The wide spread desire for industrial development of the country should be utilized by the co-operators and turned into the right direction. In competition with well established industries in foreign countries our infant Joint Stock industries may not be able to hold their ground. But if consumers combine like the Rochdale Pioneers for the purpose of supplying their needs, and undertake production of the commodities they need, competition will be greatly eliminated.

We ought, therefore, to have consumers co-operation first. The number of consumers' societies is very small in Bengal and the few that exist are not in a position to undertake industrial operations. For 5 years the consumers have been subjected to the worst form of exploitation, and finding them helpless, the traders and manufacturers have gone on increasing their profits unchecked. Mere distributive societies will not be able to protect the consumers. When any considerable number of such societies is formed, the traders will certainly combine, and refuse to sell to such societies, and the capitalist producers will naturally side with them. It is necessary therefore, that production should be undertaken by associations of consumers.

I have lately been discussing with certain friends of mine, the question of a Co-operative Dispensary in the part of Calcutta I live in. The prices of medicines have gone up so high, that it has become almost impossible for men of small means to obtain proper treatment when they fall ill. That the prices have been artificially raised is beyond doubt, and would certainly be lowered if there were a few Co-operative Dispensaries to supply medicines to their members, which would have no motive for raising prices. When discussing the project, it was found that the dispensary would have to contend against two combinations,—*viz.*, (1) Combination of medical men, who are at present in receipt of commissions from dispensaries; (2) Combination of owners of dispensaries. The first combination would not be so formidable, but the second combination would be difficult to meet. The wholesale dealers in medicine also sell retail, and their sympathies will naturally go with the owners of dispensaries and when the latter combine they will side with them, and either refuse to sell medicines to the co-

operative dispensaries, or charge to them prices, which will make it impossible for them to give any relief to their members. The same difficulties face all consumers' associations and can be adequately met only by such associations undertaking production.

There are no doubt many producers' societies in the country and it might be argued, that these societies being Co-operative would sell their products to consumers' associations. But experience shows that the desire for profit is no less the guiding principle of these societies, and when commodities are produced for sale, it is bound to be so.

As long as the community is dependent on capitalists for production, exploitation is bound to go on. The capitalist producers' sympathies are with the traders, and they are not likely to show much consideration for the interest of the consumers.

Co-operative distribution and co-operative production must therefore go hand in hand, and the production must be undertaken by the distributive societies. Our weavers are bond slaves to *mahajans*, who supply the yarn and obtain all the cloth on payment of starvation wages. Consumers' associations should employ these weavers, supply the raw materials, and pay the weavers their wages, the weavers being members of the associations. The members of one co-operative store will perhaps not be able to consume all the cloth produced by its weaver members. The consumption must be spread over a large area, which should be co-operatively organised. We should have a network of stores in each District, with a central store in the district head-quarters. This store will receive from the branch stores orders for things, which they cannot locally manufacture, and statements of things which they produce in excess of their requirements, and the central store will arrange for the supply of the former after consulting the latter. There are some industries such as silk weaving, for the products of which the local demand is generally very limited, and which must therefore be carried on under an association which can distribute the products all over the country. A co-operative wholesale society is therefore of the greatest importance for the application of co-operation to the industries of the country. A large number of joint stock companies have lately been floated in Calcutta. It is not known how many of these companies will prove success-

ful. The promoters of the Calcutta Swadeshi Co-operative Stores are the only persons, who have thought of reviving the industries of the country, through an association of consumers. Among the objects of the store is the manufacture of goods, which can be manufactured in the country. The society has indeed some objects, which can hardly be said to be co-operative, such as the export of Indian goods and the establishment of agencies outside India; but its main object is the supply of the Calcutta market. If it is patronised largely by the Calcutta public, it may be in a position to undertake manufactures on a large scale. The existing cottage industries in the country may be taken under its wings, and even mills may be started to produce some of the everyday necessities of the residents of Calcutta. Food adulteration is undermining the health of the country. Rice, flour, oil, ghee, sugar—every thing is adulterated. The Calcutta Swadeshi store may establish flour, oil and rice mills for supplying the requirements of their members in these articles. The Institution will be in a position to introduce machinery in the small industries under its control, and by enabling the artisans to produce in large quantities, improve their condition beyond all expectation. Profit is not the motive of this institution, but the revival of Indian industries. It is a matter for congratulation that those who have started the store, have chosen the co-operative method to achieve their object.

The position of the weavers and other artisans in the system under consideration may present some difficulties. Mr. Woolf has tried to solve the problem for England by proposing to assign to trade unions a definite place within the movement. There are no trade unions in India and there is no doubt risk of the artisans being exploited by associations of consumers. But these artisans should be members of the consumers' associations, and as such would have some voice in determining their wages. Still more to safeguard their interests, the artisans themselves may be formed into associations, not for production, but for purposes of representation on the consumers' associations.

Our cottage workers are not good traders. They produce but they do not know how to dispose of. Their helplessness in this respect has been exploited by *muhajans*; who have reduced them

almost to the position of slaves. Associations of consumers would be a most desirable substitute for the *mahajans*.

It is for this that Co-operation among consumers has become necessary. Foreign competition is keen. Japan and America are pouring the produce of their mills into our country, and now that the war is over Germany and Austria may begin to do it very soon. Our old industries are decaying; new industries have not yet been built up. In competition with countries which have got a long start of us, we are almost certain of defeat, unless we organise ourselves for protection. Of all organizations those among consumers are the best fitted to take up the work of the industrial advancement of the country. They produce for use and they will not prefer things made by others to those made by their own men. They can begin unostentatiously by taking the cottage workers under their protection. As they succeed in this, they can turn to manufactures on larger scales, they can have factories and mills of their own. But in order to succeed in this gigantic task, the task of regenerating the industries of this ancient country, the consumers must be permeated with the spirit of Co-operation. There must be no desire for profit and exploitation; production must be undertaken only for the purpose of supplying the needs of the members.

The problem of unemployment among middle class men of the country is one of the most pressing problem of the day. But it can only be properly solved by Co-operative Industries. Capitalistic Industries has not solved the problem in Europe and will not do so in India. When associations of consumers undertake production, and produce extensively, every consumer who is willing to work, will have sufficient work to do to earn a decent livelihood. I feel tempted to draw a picture of a Co-operative commonwealth which will arrange the powers of production and distribution, in such a way as will provide employment for every body and will also leave him sufficient leisure for the cultivation of his higher faculties. But the Co-operative movement is still in its infancy in our country and a co-operative commonwealth is only a vision even in countries where it has established a firm hold of the people. The equitable Pioneers of Rochdale dreamt of it in the early years of the last century but it is still a vision in 1919.

The vision however, possesses the power of appealing even to the hard matter of fact mind when it is seen in all its grandeur.

Young men of Bengal, it is for you, to see the vision first, and then present it to others. Picture to yourselves a society, from which competition and unemployment have been banished, in which wealth is produced only for supplying the needs of the community, and each has enough of what he needs; in which extremes of poverty and affluence are equally unknown and no one tries to enrich himself at the expense of others. The ideal claims all your homage and is one worthy to be lived for and striven after.\*

\*The Chairman while thanking the lecturer for his able paper, remarked that there were certain points in which he differed from him. He believed that the principle of co-operation as applied to small industries could produce great results, but that as applied to large capitalistic industries, it could not in the present stage of industrial development be of any very practical use. It could hardly be conceived that those large industrial undertakings would flourish on a non-profit seeking basis.

## RECENT CO-OPERATIVE DEVELOPMENTS IN BENGAL

### 1. Nurpur Co-operative Union.

A co-operative organisation known as the Nurpur Co-operative Union, Ltd., has recently been started at Nurpur in Faridpur District. It owes its origin mainly to the exertions of Mr. J. N. Roy, District Magistrate, and Khan Shaheb Moulvi Abdul Gani. About fifty villages have been included in the union, which has been registered under the Co-operative Societies Act, and in each village there exists or there will be created a Rural Bank, participating in the benefits of the union. A Co-operative Stores Ltd., has been started at Nurpur in connection with this Union for the sale of goods at a cheap rate, to the villagers residing within the jurisdiction of the union and a dispensary, an Agricultural Society and a night school have also been opened at Nurpur. At the nominal fee of a few annas only, the members of the Union will be entitled to get medical help from the doctor attached to the dispensary, where medicines will be dispensed free to the outdoor patients also. This organisation is perhaps the first of its kind in Bengal, and its progress is being watched with much interest.

Regarding the Nurpur Union the "*Statesman*" writes :— Those of us who became acquainted with Mr. J. N. Roy—the *rara avis*, a popular Press Censor—during his term of office in Writers' Buildings will feel no great surprise to see that he is making things move in Faridpur. Thanks largely to his exertions, in collaboration, with another energetic resident, the co-operative movement appears to have been started at Nurpur with vigour, and we hear of an agricultural society, a night school, and a dispensary where members of the co-operative union may get medical help from a doctor for a nominal fee. Co-operative stores for the distribution of goods have been initiated, as well as co-operative credit for the lending of money. Mr Roy's old friends in Calcutta will wish more power to his elbow.

## **2. A Co-operative Store at Faridpur.**

A public meeting was recently held in the Faridpur Bar Library to support the organisation of a co-operative store in the town. Khan Sahib Moulvi Abdul Gani, Deputy Chairman of the Central Co-operative Bank, Faridpur, explained the objects of the proposed store, and Mr. J. T. Donovan, I.C.S., Registrar of Co-operative Societies, Bengal, who was present at the meeting, also spoke. The proposed store, to be known as the Faridpur Co-operative Store, Ltd., will be registered under the Co-operative Societies Act, and the objects of the society are : (1) To purchase the necessaries of life for retail sale to its members ; (2) to carry on trade, both wholesale and retail, for the benefit of its members ; and (3) to encourage thrift, self-help and co-operation generally amongst the members. The nominal capital of the society will be one lakh of rupees to be divided into shares of Rs. 10 each. Rs. 5 per share will now be called and the balance will be kept in reserve. The liability of the members will be limited to the nominal value of the shares held by them. At the meeting shares to the extent of Rs. 6,000 were subscribed on the spot. A suitable shop has been hired in the Bazar and already orders have been placed early supplies of rice.

## **3. The Calcutta Co-operative Swadeshi Stores.**

On the 1st of August last Justice Sir Ashutosh Mukerjee formally opened the Calcutta Co-operative Swadeshi Stores, Ltd., which has been started with a capital of two lakhs of rupees and located in Lal Bazar Street just opposite the Police Commissioner's office. Among those present at the opening ceremony were, Mr. Donovan, Registrar of Co-operative Societies, Mr. T. C. Roy and Mr. Mahmud, Joint Registrars of Co-operative Societies, Mr. C. R. Das, Mr. Padmaraj Jain, Mr. Majibur Rahaman and Mr. Baijnath Choubay. Mr. C. R. Das, as Chairman of the Board of Directors, gave a brief history of the formation of the stores and requested Sir Asutosh Mukerjee to open the stores. Sir Asutosh Mukerjee in declaring the stores open, said that the promoters of the stores should take particular care to run it on quite business-like lines and avoid defects which led to the failure of similar

concerns in the past. The stores will only deal in Indian made articles.

#### **4. A Central Co-operative Bank at Meherpur.**

A Central Co-operative Bank was opened at Meherpur, the 13th July. Mr. J. T. Donovan, I.C.S., Registrar, Co-operative Societies of Bengal, presided. A pandal was erected in front of the Local Board Office and there was a large representative meeting attended by all sections of the peoples as well as by the representatives of 64 village co-operative societies of the Sub-Division. These village societies which were so long under the affiliation and control of the parent Central Bank at Krishnagar were transferred to the new Central Bank at Meherpur. The new Bank at Meherpur like the Nadia Central Bank is a Bank of the mixed type. After Rai Indu Bhusan Bhiaduri Bahadur had given a short history of the Co-operative movement in Nadia with special reference to the development and growth of Co-operative societies in the Meherpur Sub-Division, Babu Jivan Krishna Mukherji requested Mr. Donovan formally to declare the Bank open.

The following office-bearers were provisionally elected for the Bank. Mr. S. N. Sen, S.D.O., *ex-officio* Chairman, Babu Jivan Krishna Mukherji, Deputy Chairman and Treasurer, Babu Indu Bhusan Mallik, Secretary and Babu Rati Kanta Biswas, Assistant Secretary. Purchase of preference shares of Rs. 20,000 was promised at the meeting.

#### **5. A Proposed Municipal Co-operative Society.**

At a recent meeting of the Calcutta Corporation the Hon. Sir Deva Prosad Sarvadhikary moved: "That immediate steps be taken, in connection with the Provident Fund or otherwise, to organise a Co-operative Society for the benefit of all Municipal employees not at present admissible to membership of the existing society, and that a Committee consisting of the Chairman and eight Commissioners be appointed to frame the necessary scheme in communication with the Registrar of Co-operative Societies." He said that the woes of the Corporation employees were many, their troubles great and their emoluments were not very satisfactory. The result was threatened strikes and

other difficulties. On account of the smallness of their pay the men were put into the hands of money-lenders and they were crushed by the exorbitant interest they had to pay.

The motion was duly seconded and agreed to and the following gentlemen were elected to form the Committee :—The Chairman, Rai Bahadur Dr. Haridhone Dutt, Rai Surendra Nath Mitter Bahadur, Babu Ramtaran Banerjee, Mr. Abdur Rahim, Mr. Rhodes, Mr. Wyness, Babu Surendra Nath Mullick and Sir Deva Prasad Sarbadhikari.

#### **6. The Bengal Agricultural Society.**

At a meeting held at the office of the Bengal Co-operative Organisation Society at 6, Dacre's Lane on the 5th of August last the Bengal Agricultural Society was formed with the purpose of linking up the various Agricultural District and Branch Societies scattered over Bengal. Not only will the Society set out on an active propaganda on improved methods of agriculture in Bengal but it will even assist District and Branch Societies in the distribution and sale of agricultural products. In a recent resolution the Government of Bengal have alluded to the necessity of such an organization and the active co-operation of zemindars and other interested in agriculture is intended to be secured. A sub-Committee has been formed for drawing up rules and regulations with Kumar Manindra Chandra Sinha, M. B. F. as President and Mr. H. W. B. Moreno as Secretary.

#### **7. A Serampore Store.**

The Serampore Chatra Co-operative Society, Ltd., will shortly start a Co-operative store for the sale of necessities of life at a cheap price to members and non-members.

#### **8. A Store at Feni.**

At a public meeting at Feni under the presidency of the S. D. O., it was resolved to start (with a capital of Rs. 1,000) a Co-operative Store to be called : "The Feni Town Co-operative Store."

### **9. Fishermens' Co-operative Societies.**

Twelve new co-operative societies of fishermen were established during the year, 8 in Bengal and 4 in Bihar and Orissa ; the total number is now 27. These societies were mainly established by the efforts of the co-operative department, but it is expected that in future the district fishery officers will be able to take a more active part in the establishment of such societies.

### **10. The Co-operative Movement in Moudlai (Hooghly).**

The Moudlai Improvement Association together with a joint stock concern to supply the daily necessities to its members, was first established in 1917. Recently at a meeting of the shareholders of the joint stock concern, it was decided unanimously to convert it into a Co-operative Society. Among the successful works of the Association the establishment of a girls school, a co-operative Society worked on its own resources and an agricultural association may be mentioned. The Association is taking a keen interest for helping the neighbouring villages for the organisation of such Societies.

### **11. Proposed Co-operative Society for Khargpur.**

With the object of encouraging thrift and self-help among the Khargpur Railway Employees a movement is set on foot here to start a Co-operative Society. Mr. M. H. Oldfield, President of the Select Committee, is now ascertaining the probable number of members who would join the Society and the shares to be held by them as well as other preliminaries in connection with the organisation of the Society.

### **12. New Activities of the Brahmanbaria Central Co-operative Bank.**

The sixth annual meeting of the Brahmanbaria Central Co-operative Bank was held on the 24th of August. The meeting was largely attended by the duly elected representatives of the rural primary societies as well as by the preference shareholder. The chairman of the Bank Mr. B. K. Das (Sub-divisional Officer of Brahmanbaria), presided. The most salient feature of last year's working is that the Bank, which was founded almost entirely

on outside capital, from the Calcutta money market, through the exertions of the then Registrar, Raj J. M. Mitra Bahadur, has now raised a local capital which is almost one-third of the present working capital, which roughly comes up to almost three lakhs and ten thousand, besides paying off to the Provincial Co-operative Federation a sum of Rs. 19,700 in principal.

Owing to acute distress prevailing in this sub-division, the Bank made a liberal grant of loans to its rural primary societies, and over a lakh was distributed as loan. But 14 societies managed themselves without any loan from the Bank. Thirty-five societies took loans twice, and 8 societies took loans thrice, during the year. In 1915-16 when there was a similar scarcity and distress in this Sub-division the Bank had to take the entire money from the Calcutta market, through the Registrar, but, fortunately, in this year of distress the Bank has been able to be self-reliant and has been able to raise its entire capital locally. Loan applications are most carefully examined by the Directors before the issue of any loan. There are two industrial societies—one of weavers and one of fishermen. The rest are credit type societies.

The collection was fair and good, considering the scarcity prevailing. The overdue figures are only Rs. 28,508.

The present year's programme includes the formation of industrial societies among (1) weavers, (2) basket-makers, (3) bell-metal makers, (4) Kapahies for gunny bags, (5) button makers from mother-o'-pearl, (6) silk weavers. An industrial sub-committee has been formed consisting of nine members, from ordinary and preference shareholders, to organise these societies. Further it is proposed to start a union with a block of 40 to 45 societies in one compact area, providing aid to the members in (a) credit, (b) medical aid (c) primary education, (d) sanitation.

### **13. The Jamalpore Co-operative Stores.**

From January last a Co-operative Stores has been started at Jamalpur in the District of Mymensingh with a nominal capital of Rs. 5,000 with a view to supply every-day necessities to its members at moderate and reasonable price. Since its birth the Store did a great deal of good to its members specially with respect

to kerosine and rice. When the local merchants were very eager to make enormous profits, the Store came to the relief of the public offering them things at a much lower price, controlled the market and put a stop to the profiteering of the *mahajans*.

## A CO-OPERATIVE CONFERENCE AT PATNA

---

**Proceedings of a Co-operative Conference of Managers of Central Banks  
held in the Secretariat Buildings at Patna on the 8th of April, 1919.**

Khan Bahadur Mohi-ud-din Ahmed in addressing the conference said :—

GENTLEMEN,

I have asked you to meet me here so that I may speak to you on matters concerning your duties—your responsible duties as managers of Co-operative Banks. I am sorry to have to say at the very start that hitherto I have seen little in the methods employed by you which is altogether encouraging. Some of you have indeed tried to work up to a routine—a dull routine I may say—and endeavoured to save the Bank and the societies from big pitfalls. So far as this has involved hard labour I appreciate your efforts but I am sorry, I have to say that I am far from being satisfied with this. Now indeed can I be satisfied when it is remembered that co-operation aims at? Co-operation is not merely a device to prevent people from falling into ditches—it is a living and creative force to lead people to success—to moral and economic victory. Fortunately for us—for you and me—the path of progress is not hid from our view—the co-operative way has been charted and we have only to learn how to guide our ships and stick to the right points of the compass. Consequently I have nothing novel to put forward to you. I shall only describe to you what has so often been done *viz.*, what is real co-operation and what is not co-operation and I shall point out some of the common un-co-operative methods found all over the Province and try to explain to you the kind of society and Bank which all of you must endeavour to approximate. Now what is the kind of society one so frequently comes across and which makes the prospect so gloomy? Let me describe. There are a number of dishonest and unscrupulous rouses the chief of whom are the Punches. These borrow heavily and are the worst

defaulters. The Treasure uses the Cash balance for his own private purposes. Meetings are not regular and when they are held very few attend them. The general body of members do not know what is going on in the society and care less so long as they are not bothered about paying their Kists.

Mutual control and vigilance are conspicuous only by their absence. This picture, you must know by your experience, is not by any means overdrawn. Now what percentage of societies in your area answer to this description? In some area at least I know it is quite 80 per cent. If this is so, it may well be asked how such societies come into existence at all? The answer to that—the only answer is—lack of real earnestness and want of sustained efforts on the part of the Managers. If the managers were really alive to a sense of their responsibilities it is impossible to believe that societies of this description can figure or rather disfigure the list of societies affiliated to any Co-operative Bank. They must either be improved within a reasonable time or liquidated. Now let me mention some un-co-operative and unbusinesslike methods employed in most areas. A very common defect is that the Banks do not follow any definite programme. Some of you may remember that there is a circular on this subject and each Bank is instructed to have a programme drawn up for the year and distribute the work you have to do in such a way that each work may be finished within an allotted time. But how are these instructions carried out in practice? Most of the Banks have indeed drawn up a programme—but in none is the programme worked up to. For example, in many areas the Haisiyat Registers are being revised just now—whereas the revision should have been completed before January. This is a common example of delay and procrastination. Let me give you an instance of a defect of another kind which I find to be fairly common—the defect of overdoing things—of doing things for societies which ought to be done by the societies themselves.

On receipt of loan applications some Banks are in the habit of interfering too much with the individual loans applied for by particular members. Now provided that the annual general meetings have been carefully held and the borrowing limits of individual members fixed with the loans applied for by individual

members. All that is necessary for you to see is that the borrowing limits fixed at the annual general meetings are not exceeded. Within such limits societies must be allowed to exercise their discretion. In exceptional cases where loan applied for a particular member is very big and the purpose an unproductive one it may be necessary to see that the society had considered the point in the meeting and if not to ask the society to do so. In no case should they be disallowed by the Central Bank, if the members after considering the point sanctions the loan. Societies must be allowed the liberty even to make mistakes

Another instance of overdoing things is the way in which punishments to individual members are executed. Some officer of the Bank goes and gets a resolution recorded without bothering to find out whether the members at all approve of it. In fact, the societies have all perhaps now got the idea that the Central Bank authorities have the power to inflict punishments on individual members—an idea which must be destructive of the growth of a sense of healthy self-reliance. I have known instances where the members have sympathised with a delinquent punished in this manner by the Central Bank. The Central Bank should try to educate the opinion of members and should not in any case force any decision on them. My experience is that the members are quick to respond when it is properly explained to them that a particular course will be for their benefit or that a certain member ought to be punished for the sake of discipline of the society. If members are unwilling to punish wrong doers it simply means that they do not understand the principle of joint liability and mutual control and that the members require thorough instruction as regards this. Not infrequently you come across case where the Treasurer had misappropriated the cash balance but the members instead of handing him over to the Central Bank authorities deliberately try to shield the culprit. What do you think is the reason for this? The only reason is that the members had not been taught that the money belonged to them and that the attempt to defraud was directed against their interest. Once they understood this, they would not require to be told that the Treasurer who misappropriated the societies cash balance deserves to be severely dealt with. The principle then, as has been repeated so often before, should be

"Give all possible guidance but do not dominate. Do not do things for the society, but teach the members themselves to perform them." Your object is to train these societies to independence. You must watch and correct their mistakes, not by writing orders in their minute books but discussing with them and arguing with them and making them think.

I should like while I am on this subject, to point out the unbusinesslike methods adopted by most of the Banks. The strict observance of the bye-law and rules is a matter of primary importance. I pointed this out in the pamphlet "How to improve a society" and I explained that the Central Banks can do a great deal by way of training the societies if only it would insist on the strict observance on the part of the societies of their bye-laws and resolutions. The Central Bank should not only teach the societies to do this but set an example to them in their own relationship with them. For example, there is at present no systematic effort to enforce punctuality of repayment and societies are allowed to default year after year without being required to obtain a formal extension of their Kists and the Kists are ultimately reduced to little more than nominal dates. In co-operative Banking, concerned as it is with financing agriculturists some latitude has of course to be allowed in view of the uncertainties concerned with all agricultural operations, but it is one thing to allow extensions for good reasons and quite another to regard the Kists as mere ornaments for the Loan Register. When we compare this attitude with the ordinary practice of other banking institutions where the drawer of a promote is adjudged to be a bankrupt if a promote is not honoured on the due date and hour, we can appreciate what an object of ridicule your Banks are apt to become if so little regard for punctuality is shown as is the case at present. Punctuality must be enforced unless the societies are able to satisfy you fully that they could not keep to their terms for reasons beyond their control. The societies must be made to consider in a general meeting each individual case of default by a member, granting extensions in deserving cases and taking coercive measures in the case of others. If the societies, can be properly trained to do this a great step will have been taken not only towards that mutual control which is so essential a condition of success but towards a proper appreciation of

the societies obligations to the Central Bank. There is again the most effective method of training which most of you have not taken up with the eagerness I should have expected to see. I refer to the formation of Guarantee Unions; I have no doubt that a Guarantee Union when carefully trained is the best agency for supervising the affairs of the affiliated societies—much better than any Central Bank, with the cleverest manager, can hope to be. I am all the more surprised to find so little effort made in this direction because of the immense relief which the formation of such Unions would bring to the managers, apart from the great security which they would add to the Central Bank investment. The Unions are also an excellent agency for fresh organization. In Supaul some very good societies have been started by the Unions. The Punches with their local knowledge regarding the character and credit of the prospective members are able to begin with desirable and honest members only. Of course the good results at Supaul is due to the careful training the Guarantee Unions have received. As everything depends on this training the Central Bank cannot be too careful about it or devote too much time on this work. The Central Bank should endeavour from the very beginning to realize its responsibility as regards the internal working of its affiliated societies. Everything should be done through the Union and there should be no interference with its authority. It is not necessary to have a monthly meeting of the Union. Two general meetings as laid down in the bye-laws should however be carefully held. Before these meetings the members of the Union should make a thorough inspection of all the affiliated societies so that their condition may be familiar to all. In the initial stages of the working of the Union it is necessary for the manager to attend the meetings and discuss all the various questions affecting the interests of their societies and teach them to think out the best plan to serve those interests. The appointment of an Inspecting Clerk by the Union as I hear has been done in one case, is just the kind of thing which destroys the spirit we wish to create. The Inspecting Clerk maintained by a Guarantee Union cannot be very well qualified because the Guarantee Union cannot afford to pay a salary big enough to attract a properly qualified man, and since the Central Bank maintains an Inspection Clerk there appears to be no object

in substituting a less qualified man in place of a better qualified one. But the most objectionable part of this business is the fact that it tends to lessen the sense of responsibilities in the officer of the Guarantee Union—who should be inclined to throw the whole weight of responsibility on the shoulders of an incompetent clerk who cannot have any personal interest in the welfare of the societies.

To sum up then you must have the standard—the co-operative standard—always before you. You should not be satisfied with anything less than the absolute standard. The Central Bank and the Guarantee Union are only the agencies for improving the efficiency of the societies and the process of improvement must be kept on by sustained efforts till the standard has been attained. What is then the real standard? You have been told that time and gain, but it will bear repetition a hundred times. You must have the picture imprinted in your minds. An ideal co-operative society is one in which the members have been elected with a due regard for their character—where all the members have the fullest confidence in each other. It is a society in which members understand and fully realize the responsibility of unlimited liability. These two generally lead to the other aspects of the picture. The members understand the bye-laws and particularly the power given to them in the general meeting. They are anxious to attend it and fix the borrowing limits of every member particularly those of the Panches. The Panches are careful in the matter of giving loans considering in each case whether the loan is necessary and whether it is for a productive purpose. After the loans are granted the Panches do not go to sleep; the supervisors keep an eye on the members and see if the loans are being expended for the purpose for which they were taken. Cases of misapplication are promptly brought to notice and the offender punished. The members again are all loyal to the society. No member has any chance of borrowing from outside on the sly or surreptitiously part with his property thereby reducing the assets of the society. Then again at the time of repayment it is everybody's concern to see whether the others are paying up. If a particular member is not paying up, all the others mount-guard at his Khalihans and in other ways harass him till he pays up. In no case is anyone allowed to default

without being required to satisfy the Panches<sup>2</sup> that he could not repay for reasons beyond his control in which case a reasonable extension is given to him. Again an ideal society is one in which the members feel a real interest for their society and is anxious to see the economic interest of every member advanced through the help or by means of their society. It is one in which the members discuss matters of common interest and evolve schemes for their economic and moral welfare. Finally an ideal co-operative society is one in which the real spirit of brotherhood grows and where the idea. "Each for all and all for each" becomes a reality.

This is by no means an Utopian dream. If the serious responsibility of joint liabilities is fully understood every other reform will follow in its wake. I know that you can, if you will only bring the necessary enthusiasm to bear on your task, make the picture answer to every one of the society under your charge. You simply require to keep the ideal before you and when leave the will to succeed I want to see you devoting more time to thinking and planning. I want to see you concentrate all your energies and thoughts towards attaining the one object for which you exist—to turn out ideal co-operative societies—societies where self-reliance and independence unity and mutual solicitude grow more and more. May I hope that you will go back to your task with a fresh determination and a new purpose?

*Sunday classes for the training of Panches.*—At the request of the Registrar, Babu Sidheswar Ghosh, Manager of the Rohika Union explained his scheme of the "Sunday Class" (Vide Appendix A) for the benefit of the Panches of Co-operative Societies. He said that he noticed that the societies under the charge of Panches who had received instruction had already begun to show signs of improvement. The matter was fully discussed and the following resolution was passed :—

The conference recommends that a training class for Panches be held in each Bank on lines similar to the "Sunday Class" in Madhubani. The classes should be held at head-quarters once a week and Panches attending should receive reasonable expenses. It was also resolved that the class should be opened to others who wished to attend.

*Debating Club for spreading Co-operative Knowledge.*—Babu

(now Rai Saheb) Raja Prakash Narain described the proceedings of the Debating Club started at Barh. The object was to arouse the interest of the educated people of the locality. Outsiders lead the discussion and co-operaters attend-merely to enlighten them about matters which they wish to know. There were 3 meetings with very large attendance. The pleaders and Mukhtiar mustered strong. Babu (now Rai Saheb) Raj Parkash Narain said that as a result of the advertisement thus given, the Bank was able to get fresh deposits from local people to the extent of Rs. 25,000. The meeting was much interested in the subject and the following resolution was passed :—

That the conference is of opinion that Debating Clubs are a useful means of disseminating the knowledge of co-operation and may be started wherever suitable materials exist.

*The need for Guarantee Unions.*—The need for Guarantee Unions was then discussed. The Registrar explained that all hope of progress lay in the formation of Guarantee Unions. The object of these Unions was to make the societies self-reliant and independent. In individual societies only one or two intelligent men are available but in a group of societies it is possible to find 4 or 5 men who are intelligent enough to lead others when properly trained. Their services are available for the whole lot of societies. By mutual discussion and inspection they educate themselves and the Punches of each society. There is certainly some trouble in the beginning but once trained the Guarantee Unions must obviously save the Managers and the Directors a great deal of labour and anxiety. But the progress in this Province was quite disappointing. In Central Provinces 250 unions were started in one year. The Registrar was convinced that real progress could only be achieved by bringing every society under a Guarantee Union. The Registrar then related a case in which a clever Punch was hauled in his attempt to take a large loan by a Guarantee Union in Banka whereas the Central Bank would in all probability have granted the loan, in such a case.

There was a long discussion. Rai Saheb Mahendra Prasad described the difficulties of forming Unions and suggested that Secretaries of Unions should be remunerated. Babu Hari Dass Roy, Deputy Registrar, Orissa Division, expressed doubts as

regards the benefits which the societies would derive as compared with the extra liabilities they would incur. Mr. N. K. Roy, Deputy Registrar, suggested a lower rate of interest as a *quid pro quo* for the increased safety of the Central Banks investment. Mr. B. A. Collins suggested that a lower rate of interest may be charged and then a contribution levied for inspection of societies. The following resolution was passed after further discussion :—

The conference recommend to the Central Banks that Societies affiliated to a Guarantee Union should be allowed loans at lower rates of interest say at 10 per cent. and all societies classed as A and B should be allowed cash credit with the Central Bank.

*Grain Societies.*—The note by Babu Hari Dass Roy, Deputy Registrar, Orissa Division, on grain societies (Appendix B) was then considered. The conference resolved that experiments should be made in regard to societies of this description in every area.

*Amalgamation of Loans.*—The subject of the amalgamation of loans covered by different bonds was discussed. It was pointed out by Mr. N. K. Roy, that the amalgamation would cause some hardships as it would mean the deduction of interest on loans which had not fallen due. After some discussion the following resolution was passed :—

The conference is of opinion that amalgamation of all loans granted to a society would be a distinct advantage and recommend that this procedure be adopted in all Banks.

## APPENDIX A.

**A Note on Sunday Classes.**

Since my appointment here as Manager in January 1918 when I went round the villages to make myself familiar with the area, I found that the members generally are ignorant of the 12 main points and that most of the defects in the societies were due more to the ignorance of their writers than to the innate faults of the members. I was set to thinking of devising some means for reducing this ignorance as far as possible when the idea of a coaching class suggested to me. I consulted the Secretary who highly approved of it. A definite proposal was then placed before the Directors on 13th February 1918 and they were pleased to approve of it and to sanction 6 annas as daily allowance for the persons who would attend the class. But the scheme took shape and started working in November 1918.

Every Sunday a class is held at my house from 12 a. m. to 3 p. m. Mostly Writers and Panches are selected from the bad and average societies to join the class. A fresh batch is taken in as the old batch is discharged after being trained (not all at once but gradually as each student appears to have learnt the points his place is filled in by another).

The following subjects are mainly taught :—

- (1) The twelve main points in question and answer forms.
- (2) Bye-laws.
- (3) The method of keeping the Society's books.
- (4) The questions which Local Auditors require them to answer taking for example the last audit note of some of our bad societies.

To ensure regular attendance they are paid always for their previous attendance, *i.e.*, on Sunday, 26th January, 1919, they were paid for attending on Sunday, 19th January 1919. The amount to be paid is drawn on Saturdays and the balance due to the absentees on the previous Sunday is invariably adjusted at the time of passing the next bill if no reasonable excuse is received in time from the absentees. The candidates attend the class very punctually and regularly. One batch of 8 students has already been trained and discharged. They have been told to teach all they have learnt to their own Panches and members whose knowledge will be examined at the time of considering their remuneration from the societies. And they have also been told to prepare themselves for an examination before some selected Directors of the Bank. It is hoped that a few of the candidates who turn out best in the examination will be accommodated with the posts of Upadeshaks for their respective groups of societies if the idea is approved of by the Registrar.

SIDHESWAR GHOSE,

The 12th February 1919.

## APPENDIX B.

**A Note on Co-operative Paddy Sale Societies for Orissa Villages.**

Almost every householder in Orissa grows paddy and a very large proportion sell their surplus after keeping sufficient for their consumption.

Landowners, *mahajans* and other substantial people hold over their stock until say June or July when price of paddy is very high and get substantial returns for their prudence in holding over.

People of small means have to begin to sell in January and February as they have to pay rent, interest on debts and purchase cloth and other necessaries of life. These people have to sell when the price is lowest and cannot afford to wait till May or June to earn a little extra profit. The extra profits in their case go to the middleman—generally, the Marwari or the Maiman merchant.

Here is a simple scheme for helping these small producers to get for themselves the profit which middlemen get under present circumstances. They can do so by combining among themselves and starting Co-operative Paddy Sale Societies.

Let Co-operative Societies be formed in villages with moderate capital. Let these be registered under the Act. Let the Societies borrow some money if necessary.

Let members bring all their Surplus produce to the society in say February and March and let the society purchase the same at the current market rate.

Then let the Society store the paddy for say 5 months and sell their stocks in June or July when prices are pretty high.

The profits after making allowances for a reserve fund, interest on borrowed capital and incidental charges can then be distributed among the members in the shape of bonus, thus enabling them to enjoy the benefits of selling their produce almost at rates at which their monied brethren usually sell.

I append below a few rough calculations to explain my meaning.

Suppose 10 householders start a society with a capital of Rs. 200.

Let them borrow say Rs. 800 in February and begin their transaction.

Suppose paddy sells in February at the rate of 25 seers a rupee. Suppose these members have among themselves surplus paddy worth 1,000 rupees which they must dispose of in February and March. Let the society purchase 25,000 seers of paddy from its members with its capital of Rs. 1,000. Then let it store the paddy up till June and sell it early in July when paddy is selling say at 15 seers per rupee. They will get Rs. 1,666 for their stock. What will be their profit?

## RECEIPTS.

|  |     |           |
|--|-----|-----------|
| Sale of 25,000 seers of paddy @ 15 seers per rupee | ... | Rs. 1,666 |
|--|-----|-----------|

## EXPENDITURE.

|   |      |     |                 |
|---|------|-----|-----------------|
| Purchase price of 25,000 seers of paddy                                 | ..   | ... | Rs. 1,000       |
| Interest on Rs. 800 for 6 months @ 12½ per cent. per annum              |      | ..  | 50              |
| Incidental charges such as cost of storing, allowances for dryage, etc. | ...* | ... | .. 50           |
|   |      |     | <hr/> Rs. 1,100 |
| Profit  | ...  | ..  | 566             |
|   |      |     | <hr/> Rs. 1,666 |

Out of this gross profit of Rs. 566, 25 per cent., i.e., about Rs. 142 will have to be taken to the reserve fund. This will leave Rs. 424. Let dividend at 12 per cent. be given on the paid-up capital of Rs. 200. This will account for another Rs. 24. The balance Rs. 400 is available for distribution as bonus.

Now take the case of a member who had to sell 100 rupees worth of paddy in February and March. Under ordinary circumstances he would have got Rs. 100 only. This he gets now also in February or March as soon as he brings his stock to the society. In addition, in July after the transactions are completed, he gets another Rs. 40 which is practically a windfall to him and which will help in making life easy to him for the remaining months.

Will every householder in Orissa think over this scheme? Where 10 men or more in the same village are satisfied that the scheme is sound and will benefit them, let them form themselves into a society. Government has provided one Honorary Organiser for each Sub-division, and this gentleman will help them in obtaining registration of their society and will arrange for the borrowed portion of their capital.

\*  
**HARIDAS ROY,**  
*Deputy Registrar, Orissa Division.*  
 24-3-19.

## EXTRACTS AND SELECTIONS

---

### 1. Mr. Devadhar on the "Message of Western Co-operation."

Under the auspices of the Bombay Central Co-operative Institute, Mr. G. K. Devadhar delivered an address on the "Message of Western Co-operation" His Excellency Sir George Lloyd, the Governor of Bombay being in the Chair. Mr. Devadhar in the course of his remarks said:

"Now that India has acquired a valuable experience during the last fifteen years from the application of co-operative principles to agricultural life in the solitary direction of credit to some extent, it is high time now that she should adopt other useful lessons to enable poor people to reap very great profit by applying the same principles to other important phases of agricultural life and to the general life of small traders and poor wage-earners and the struggling middle class in solving some of their urgent problems."

Examining the comparative development of co-operation in the different countries of Europe Mr. Devadhar said: In Russia at the outbreak of the War there were 35,000 co-operative societies and at the present moment there were 54,000. The Siberian growth has been very phenomenal. The educational activities in this branch seem to be very striking. The movement in Germany has been largely agricultural there being 20,082 co-operative organizations for the improvement of agriculture with a membership of 2,800,000 whereas the distributive co-operative societies numbered 1,070 with a membership of 2,052,130. Thus in Germany there were over 3,000 co-operative concerns distributive and agricultural with a total membership of nearly 5 millions.

As compared with this growth, the progress in India during the last fifteen years is not quite negligible. There are 26,400 societies to-day with the total membership of 10½ lacs and the amount of working capital stand at 14½ crores of rupees. In these three respects it is a matter of congratulation that our Presidency of Bombay stands ahead of the other two major provinces of Madras and Bengal in proportion of population. The Bombay Presidency has done a considerable amount of non-credit co-operation both agricultural and non-agricultural such as manure, seed, cattle-breeding and housing, etc., etc., and it appears that the Bombay co-operator has shown more initiative and originality in these spheres than his compatriot in other provinces. The Indian movement like the German movement has naturally developed a large number of financing instructions useful to agriculture because of the need that existed and still exists. The greatest need of the Indian agricultural population was the cheap and facile credit and this has

been secured to some extent by this movement inasmuch as out of the 26,465 societies, 24,141 are agricultural societies and 1,450 are non-agricultural societies. The public confidence in the movement seems to grow as the proportion of loans and deposits from non-members has nearly doubled in the course of four years, and represents 31 per cent. of the total capital.

India wants better production, increased provision of food stuffs, and more equitable and cheap supply of necessities of life, as has been observed during these recent days of control. There is, besides, the crying need for better housing, better sanitation, etc. We co-operators believe that these new problems will to a large extent be helped by the application of co-operative principles. Besides Indian agriculture needs development and improvement on a large scale and Ireland and Denmark, comparatively very poor countries, have shown how co-operation could assist this industry and bring it in line with modern conditions. In the plans of reconstruction which India will have to take up soon the co-operative movement will play a large part and it is our duty to-day to prepare the ground for these large developments by the spread of primary education coupled with rudiments of scientific and agricultural knowledge and particularly by initiating the people in the principles of co-operation.

Mr. Devadhar said, if co-operation could achieve such wonderful results in several fields of human activities in the West, it was needless to say that there was great need in India to-day for the wider spread of this movement with its budding industrialism, high-soaring nationalism, and enchanting democracy. In the plans of reconstruction which India would have to take up soon the co-operative movement would play a large part and it was their duty to-day to prepare the ground for these large developments by the spread of primary education coupled with rudiments of scientific and agricultural knowledge and particularly by initiating the people in the principles of co-operation.

How was the result to be achieved? So far in India it must be recognized frankly that a great deal of work of initiation, administration and education in this co-operative field had been attempted by Government. The intelligent public had not yet taken a proportionately large part and so long as they would fight shy of this movement, the character of the movement would not be largely popular. In the West the movement had been entirely popular, because people felt the great need for it and engineered it and raised it to its present pitch.

In India to-day the ultimate responsibility of conducting the movement still rested with Government. There was a growing tendency to bring it under popular control or to make it as non-official a movement as possible. So long as the ideals of the movement were clearly and closely adhered to the joint work of both the Government officials and the leaders of public thought and action would yield better result especially, when there was a very large field crying for co-operative expansion. This was a matter in which the

principle of co-operation in work should be put into practice, though it would be quite in keeping with the traditions of the movement and its aims if the people at large, whose needs were to be satisfied, interested themselves more extensively and thus obtained adequate voice in its management. It was all a question of work. It was a fortunate circumstance that Government were anxious to extend the basis of this movement and make it as largely popular as possible.

### AN APPEAL TO THE PEOPLE.

It was now for the people to respond to the call. There was on the continent of Europe a strong co-operative press, a great effort is made to train people in co-operative principles and methods by means of classes and institutions. They started in Bombay five years ago a class to train secretaries and its work had gone on well. Several countries sent men to England and Denmark to learn co-operative principles and to imbibe the spirit of the movement, and to draw inspiration and instruction from it. He had heard of the parties of Americans, Australians, Canadians, French and Russians coming to England and Ireland and visiting Denmark in order to make a detailed study of their methods of co-operative work, and to make a long stay. If Indian co-operation in the near future was to develop on Western lines, he was of opinion, that the Indian Government and the leaders of public opinion should also organise similar parties or commissions of well-equipped agriculturists to pay visits to England and other countries like Ireland, Denmark where they could acquire a new faith and a new life. He had had opportunities of discussing the scheme with very responsible people in England and they had approved of it immensely and he would, therefore, urge upon his friends in Bombay and the Bombay Government to take a lead in this matter and show the way to the rest of India. Let the Government and the people form a joint committee to examine this scheme.

### 2. Women and Co-operation.

In the June number of the "Hindustan Review" Mr. K. S. Abhyankar contributes an article on "Woman and Co-operation." The subject is a very interesting one, and the writer in dealing with it traces directly what part woman has played in the field of co-operation. As a customer it is for woman to understand "the differences between pure goods made under fair conditions and cheap and nasty articles produced under quite other conditions. If the local store is stocked with, let us say, the soaps, cocoas and jams of private firms, instead of the soaps, cocoas and jams produced by the wholesale, it is chiefly because customers will have it so." Women can understand, the writer says, if they discriminate rightly that their interests as social beings lie in the spread of the co-operative movement.

Then he discusses at length the history of the co-operative movement in England, Scotland and Ireland. In western countries, women are not only house keepers, but purchasers as well. He describes the movement in England as "a self-governing organisation of women, who work through co-operation for the welfare of the people, seeking freedom for their own progress and the equal fellowship of men and women in the home, the store, the workshop, and the state." He pays a glowing tribute to Mrs. Acland, the first secretary of the Guild, to whose efforts are attributed the success of the movement. To-day in England women are share-holders, members of educational committees, delegates to co-operative congresses and what not. All questions affecting women's social and political life are discussed at various conferences. Then he treats about the history of the movement in Scotland and Ireland. The work done in Ireland is supplemented by an organisation called "The United Irish Women." Mr. C. W. Russel is a great believer in woman's co-operative movement. "Women" says he, "however they may err as individuals are concerned collectively far more than men about the character and well being of a race." Elsewhere Russel says "we cannot build up a rural civilization in Ireland without the aid of Irish women. It will help life little if we have methods of the twentieth century in the fields and those of the fifth century in the home."

The war has done incalculable service to the woman's cause by providing opportunities for her to distinguish herself in various walks of life.

The unit of co-operation is the home. The sense of corporate social existence is a thing which deserves to be brought home to the minds of Indian women; as they have not yet realized the possibilities of the co-operative movement. "Development needs freedom" is a favourite maxim as much of pedagogy as of politics. Nor is the truth of less force when applied to women. We can never exaggerate the fruits of emancipating her from the prison of the home, to play a part in social existence. Her present sense of perpetual dependence on others must vanish in the matter of co-operation. The writer advises us that co-operation on the part of women is all the more necessary since "an interesting development of the day is the breaking up of the joint family and the migrating to cities by small families." This is indeed wholesome, considering the benefits which would derive from a joint family without involving any serious disadvantage. But what about the "immemorial" social restrictions on womanhood? Will "man" play the better part by heaving out a path for womankind?

### 3. Mr. Ewbank on Co-operative Trading.

A lecture on "Co-operative Trading" was recently delivered in Bombay by Mr. R. B. Ewbank, I.C.S., Registrar of Co-operative Societies, Bombay Presidency, in the rooms of the Anglo-Indian Empire League under the presidency of Lieutenant-Colonel H. Gidney.

The President, after introducing the lecturer, said it was because the Anglo-Indian community as a whole, was inert as to its future, that it remained today, so poverty-stricken. It was to blame individually and collectively ; individually because it was too selfish and unmindful of its poorer members, and collectively because it was so pregnant with a pseudo-conceit and veneer of superiority that it considered manual labour and co-operation beneath its dignity. If they were to make good their position in India they must co-operate.

Mr. Ewbank, in the course of his lecture, said of the various results of the war he did not think there was any result which was more significant and more startling than the widening gulf between the rich and the poor. It was the direct result of the war. It had not been sufficiently recognised that the war had produced high prices and that the high prices had widened that gulf. If at the present state of things was allowed to go on, they would see in India that state of economic turmoil which was now prevailing in the West. The only remedy for reconciling this widening gulf between the rich and the poor was co-operation and now was the time to apply that remedy.

The lecturer then proceeded to explain the distinctive features of the co-operative movements existing in England and those started in India, and the difficulties in the way of improving the condition of the ryots. The starting of co-operative stores, he said, was the most difficult stage of all co-operative movements and the Anglo-Indian League had rightly started with that most difficult problem of co-operation. The ordinary Indian population in a small village was not capable of managing such stores and this want of capacity had resulted in many failures. They had made good beginning in many places in the Presidency and Mr. Ewbank hoped that with the spread of education and training and the lessons learnt in this war and famine many co-operative societies would spring up in India just as in Russia the big famine of 1894 was followed by a big outburst of store organisation.

Among the various difficulties which they had to contend with in India, the lecturer said, experience had shown that the greatest difficulty was to find out the best wholesale firms and to get in touch with them. The great bulk of the people who took up co-operative stores were not acquainted with business methods and the movements of markets. Another difficulty was dishonesty on the part of the people who ran the stores, which had resulted in many stores being shipwrecked or seriously crippled.

After mentioning various essentials to be observed to ensure success Mr. Ewbank said the Act which governed these co-operative stores as it stood at present had acted as a handicap in several ways. Among these he mentioned the system of checking and auditing the accounts of such societies by Government and the rule which laid down that 23 per cent. of their profits should be carried to reserve, etc. Mr. Ewbank said Government had under contemplation a revision of the Act with a view to relaxing those restrictions so as to give a greater stimulus to the starting of co-operative stores. Such removal

of restrictions might multiply the failures but at the same time it would also increase the chances of success in the case of many more concerns. That was only a negative help which the Government were going to give to the movement but it was also hoped to start a separate branch of the department for helping co-operative stores, chiefly in the direction of telling them how prices were moving, where to get their supplies from, the local practices, of particular places, etc., so as to put the stores in a position to order direct from producers and wholesale firms.

#### 4. Dr. J. Matthai on the Co-operative Movement.

The second of the series of lectures arranged by the Y. M. C. A. was delivered by Dr. John Matthai, Assistant Registrar, Co-operative Societies, at the auditorium, on "The Co-operative Movement." Dr. Gilbert Slater Professor of Economics, Madras University, presided.

Mr. Matthai began by saying that co-operation was an association of individuals or small bodies of individuals to secure the advantages of large and powerful organisations without, at the same time, losing their individuality. It involved two things, first, the association of individuals in small local societies and, secondly, the federation of these small societies into one or more larger groups. Such an organisation represented two principles of very great consequence. First the personality of the individual was safeguarded in the small local group. At the same time the individual was not allowed to lose himself in his own little narrow horizon, because he needed the material strength and the wide vision which came of belonging to a large group. The co-operative movement, in this respect, was trying in the sphere of economics, to work out a solution for a problem which had been at work in many spheres of social history. The initial impulse to the co-operative movement in many countries was often supplied by the prevalence of a time of acute scarcity. It was the great scarcity that followed the Napoleonic wars that started the movement in England. It was the famine of the forties of last century which started it in Germany. It was the famine of 1901 in India which drew Lord Curzon's attention to the necessity of legislation on co-operative credit, and it was very likely that the food scarcity of the recent months would give the impetus to a great development of co-operative trade in India. The extent to which Co-operative Societies in Madras took advantage of Messrs. Best and Co.'s offer to supply Burma rice was an indication of what was coming.

Co-operation was generally divided in text-books into agricultural and industrial co-operation. But this was a rather unmeaning distinction—a distinction without a difference. A more sensible division was into financing, trading and productive societies. Different countries started co-operation at different ends. England started with trade, Germany practically with credit and Ireland and Denmark with production. All three forms of co-operation,

however, must go together. Credit, trade and production were inseparably linked together. In India we started with credit partly because, of all European countries' Germany with her predominant population of small holders seemed to come nearest to India and Germany was accepted as the model partly also because we had the advantage of various forms of indigenous financial co-operation in the country which supplied a good starting point. The speaker then described the growth of the credit movement in the Madras Presidency, which, he said, had now so well and firmly established itself that there was no reason for anxiety either as to the methods or as to the rate of progress.

The real problem now of co-operation, was the development of trade. Co-operative trade was intrinsically more difficult than credit. It required a knowledge of the market, it was more risky, it called for more discipline and stricter business habits. The immediate practical difficulty with regard to co-operative stores was this. When you started a credit society, you offered money at a slightly cheaper rate than prevailed in the locality. That was an obvious and immediate economic advantage which was sufficient in many cases to keep the members loyal to the society. In a co-operative store the principle was different. You sold your goods to members at market rates for fear of stimulating the rivalry of local traders and kept the surplus for division at the end of the year for distribution as dividend on purchases. The advantage offered was, therefore, remote in point of time and often failed to attract people in the early stages. It might be possible to get over this difficulty by (1) more frequent distribution of dividends than once a year, and (2) by reducing the reserve fund and making a larger sum available for dividends.

In England the co-operative stores invariably sold goods to non-members as well as to members. It obviously increased the business of the society and it introduced strangers to the society who might afterwards become members. Some people, who certainly knew what they were talking about had urged the adoption of this practice in India. But some considerations should be remembered before a final decision was taken. If a large number of people who did business with the society had no interest in the management of the society, you developed a clientele without a sense of responsibility—which went against the root principles of co-operation. Also in the early stages, if non-members as well as members could purchase, there was no inducement for a person to become a member except the prospect of a remote and hypothetical dividend. In any proposal to adopt the principles of the English store in India one great difference between the co-operative movement in the two countries should be remembered. In England, it started entirely as a class movement, there was a strong class solidarity behind the movement which kept members loyal even in the absence of specific economic advantages. In India, it had started as a public movement under the auspices of the State representing the whole community.

Things, however, were beginning to move in co-operative trade.

The system of trade on indent, started two years ago, had certainly caught on and recently trading unions had been started to which societies were affiliated which collected orders from their members and bulked them. Quite recently the Board of Directors of the Triplicane Stores, with great wisdom and patriotism, resolved to admit mofussil societies as members of the store. The Triplicane store would thus become, in effect, a trading federation for the Presidency. It was impossible to over-estimate the advantage to the whole movement of having a large co-operative store at the capital of the province, which had been in existence for fourteen years and enjoyed the direction of some of the ablest and most enterprising citizens of Madras.

Dr. Matthai concluded by laying stress on the training afforded by a Co-operative Society in organisation and self-management.

The Chairman, in his closing remarks, said that while he agreed with much of what Dr. Matthai said, he differed from him in his view about the applicability of English co-operative principles in India. The question of sales to non-members was one on which he was prepared to accept no compromise whatever. It had been tried frequently in England and found successful. He also urged more prompt audit of co-operative stores, more frequent distribution of dividends and a reduction in the share of profits that went to the reserve fund.

### 5. Agricultural Problems of Bengal.

The recent Government Resolution on Agricultural Development in Bengal deserves careful consideration from the educated public of Bengal.

Agriculture is, in Bengal,—as in the rest of India—the staple industry of the people ; for, out of a total population of 46 millions in the Presidency of Bengal, 35·3 million persons, or nearly two-thirds of the population are supported by pasture and agriculture. “Nearly 30 millions, or two-thirds of the people, are ordinary cultivators, while 1,200,000 or 3 per cent. are maintained by income from agricultural land, and nearly 3 millions or 7½ per cent. come under the head of farm servants and field labourers.” If Bengal is to be prosperous, the conditions and methods of agriculture must be improved and greater efforts must be made to enable the ryots to get better value for the products of their labour. What is the present position of the Bengal ryot? He is generally speaking, an illiterate but fairly intelligent man—a member of a joint family cultivating his small plot of land with his old fashioned plough and half-famished cattle and reaping a harvest which discloses the woful exhaustion of the soil and its comparatively scanty yield per acre. The harvested crops are made over to the *mahajan* or to the local Marwari agent at prices which are considerably lower than the market prices ; the ryot thus scarcely gets the benefit of the high prices of agricultural produce now prevailing in the markets. Owing to his lack of education, narrow outlook, suspicious attitude and fatalistic temperament he can no,

and does not, try to improve his methods of cultivation or to increase the productivity of the soil. The result is that year in, year out, he is over head and ears in debt either to the *mahajan* or to his cheaper representative of the Co-operative Credit Society. If the causes and possibilities of the famines are to be removed if the problem of high prices is to be solved, if the prosperity of the people is to be fostered, the conditions of agriculture in Bengal must be improved. What then, are the hindrances to agricultural improvement in Bengal. People will generally answer—Illiteracy and conservatism of the masses. But more than illiteracy, the apathy of the educated classes and the Zeminders, their desertion of the villages, their absenteeism, their complete “Ubanization”—if I may so call it—is mainly responsible for the deterioration and stagnation of agriculture in Bengal. Proof of this apathy and aloofness of educated Bengal is to be found in the inexplicable absence of my chair of agricultural chemistry and Economics in the University of Calcutta—although agriculture is the staple industry of the province. The Government of Bengal have done well in inviting the attention of the educated public to the great necessity for co-operation and active assistance in improving the condition of agriculture. Too much is made of the conservatism of the ryots, but as the Resolution says “individually, the agriculturist is ready; experience in this country has shown that if he can see with his own eyes the value of an improvement, he will adopt it.” Organization and educated leadership are the needs of the hour. Organize them into small agricultural associations which would test or adjudicate on suggested improvements, discuss their success and failures with each other, and bring their needs to the notice of the Agricultural Department. Such agricultural associations have been formed in the District of Birbhum and have proved very valuable instruments of local agricultural progress. Or, again, organize them into Co-operative societies for the joint and combined purchase of seed and implements and for the joint sale of agricultural produce. But for this work of organisation and for bringing about an agricultural renaissance in Bengal patient and sustained educated leadership is necessary. The work of the educated classes will be much facilitated and the progress of agriculture will be much accelerated if a well thought out scheme of practical agricultural education is put into practice in all parts of the province. To train teachers for imparting such instruction an Agricultural College should be established to impart free instruction in the theory and practice of agriculture in all its branches: May not such college be started in connection with the Naogaon Ganja Cultivators’ Co-operative Society, Ltd. which, with its assured annual income of about five lacs, can and ought to finance such an institution for the benefits of agriculturists in Bengal? But even the best practical education is given to the agriculturists and the greatest efforts are put forth by the educated public for the organization of agriculture in Bengal; the maximum results may not be achieved owing to the presence of a few disturbing factors.

(1) The most obstructive hindrance to the development of agriculture

in Bengal is the excessive sub-division and fragmentation of holding due to the operation of the Hindu and Mahomedan laws of inheritance. As Mr. Keatings has pointed out "no orderly development, no effective improvement can take place in a holding which is the wrong size and shape and which has no stability."

Dr. Harold Mann has also called attention to the evils of excessive sub-division and cultivation of scattered fragments of land. He points out that cultivating a holding of small scattered fields has the great disadvantage of preventing the use of machinery and labour saving appliances. Excessive fragmentation prevents effectually any outsider with capital from entering on cultivation on a large scale in the village. "When a man may have to deal with twenty or thirty or even more landowners, in order to get a stretch of thirty or forty acres, any one of whom can spoil the continuity or self-contained character of his cultivation, nine men out of ten will refuse to have anything to do with the scheme." Then again, the impossibility of introducing outside cultivators with more enterprise working on a large scale, makes the introduction of new and better ideas in agriculture more difficult. The remedy for this state of things is the consolidation of holdings but there are almost insuperable difficulties, mostly legal and sentimental, in the way. The importance of the question has not yet been felt in Bengal, but it has been widely recognized in the Bombay Presidency where it has received attention in the Bombay Legislative Council on more than one occasion during the past two or three years. Unfortunately, however, the effect of laws creating occupancy tenures and permanent ryotwari and zemindary holdings has been greatly to increase the difficulty of re-arranging and enlarging holdings. The experience of other countries supplies ample precedent for the special intervention of Government to secure this end. The problem is of great importance and it should engage the special attention of Bengal zemindars and publicists who should consider whether there should be a law of impartible estates or whether there should be a law defining the minimum limit of an "economic holding."

- (2) It was expected by the authors of the permanent settlement, that the limitation of the Government demand on the Zemindars would limit the latter's demands on the tenants and thus leave them a sufficient margin for a contented life. But the system of sub-intendation which has been introduced since that time has not given the desired relief to the ryots, who have to pay for the profits of a large number of middlemen every one of whom successively leases his lands to the subordinate tenure holder at a profit. This profit is enjoyed by them without their contributing anything forwards increased production.

There are a few other factors operating against the progress of agriculture in Bengal; but in the absence of definite information about them, it is

difficult to weigh their relative importance. I shall briefly refer to them here :—

- (3) Is it a fact that a considerable portion of available agricultural labour has been, and is being, diverted to the mill and the factory? If so, is the diversion hampering agricultural development in any way?
- (4) What is the state of agricultural indebtedness in areas served by Co-operative Credit Societies and in areas not served by them? Is there any truth in the statement that the indebtedness of the ryot has increased instead of having diminished since the introduction of the Credit Societies? I submit that enquiries should be started in two or three selected areas to test the truth of these allegations.
- (5) Are there any statistics to show the nature and extent of the alienation of lands from real agriculturists to money-lending and professional men? Does such alienation accelerate or retard the progress of agriculture in Bengal?

Now that the Government Resolution has invited public attention to the importance of agriculture, I hope there will be a careful discussion of the problems described in this article and wiser heads will try to find solutions of those problems.—“*P.M.*” in *Capital*.

## NOTABLE UTTERANCES

---

### H. E. Sir George Lloyd's Speech.

Presiding at a recent meeting held under the auspices of the Bombay Central Co-operative Institute H. E. Sir George Lloyd, Governor of Bombay, said :—Ladies and gentlemen,—The account of co-operation in other countries, which Mr. Devadhar has been unfolding to us for the last half hour, has been a most interesting one, and before saying anything else I am sure you would wish me to thank him most heartily in the name of all present for the trouble he has taken to deliver so useful and stimulating a lecture. The Institute is fortunate in having as its first lecturer one who has but recently been Home to England and has had the opportunity of visiting the various countries on the Continent where co-operation is flourishing. Mr. Devadhar, like all those who have been trained in Mr. Gokhale's school, is a practical man. His lecture to-day shows that he has very clearly imbibed the lessons to be learnt from co-operative work in Europe, and I trust that he and other members of the Servants of India Society, who have done so much already to further the cause of co-operation, will find many more opportunities for giving to others the benefit of their experience. It has been said "Co-operation knows no frontiers," and I hope that Mr. Devadhar's example will be followed and that other co-operators will be encouraged to travel and to gain from practical experience the valuable lessons to be learnt from the successes and failures of co-operative institutions in Europe. Well, gentlemen, you have had a long speech from Mr. Devadhar this evening and I do not propose to keep you long. But I feel I must touch on one particular branch of co-operative activity of which we are going to hear a great deal more in the near future.

Up till the present time co-operation in India has been almost entirely organised for the purpose of supplying credit to agricultural communities. This is perfectly natural, and it must at once be recognised that this is and always will be the most important side of co-operation in India. It seems that although we have as yet only touched a fraction of the population, the general lines upon which development has to proceed have been firmly laid down, and that we can safely leave the future expansion of co-operative credit to the experience, and initiative gained by the large number of societies and people, who are now thoroughly conversant with the doctrines of co-operative credit. There is, however, at the present time a growing and wide-spread demand for the establishment of societies connected with production and distribution. The shortage and high price of supplies during the war and the famine, the difficulties arising from deficient transport and

the profiteering that has unfortunately been practised throughout the Presidency during the last few years have awakened the public to the urgent need of co-operative stores and supply unions. There is, it appears, a very real demand in many districts for the establishment of stores of this kind - but there have so far been no experiments of this kind made, and it is necessary to provide some organisation to advise budding societies as to the trend of prices and put them into touch with reliable wholesale firms and help them in tackling the railway authorities and giving them expert advice of all kinds. The functions of the new Assistant Registrar would be not to control, except to a very slight extent, but to give expert help and advice. He would be closely in touch with the Committee of the Central Co-operative Institute, which consists of business men. Government are fully aware of the essential difference between societies of this nature and credit societies, and of the fact that, while a considerable amount of Government assistance and control is necessary for the former, it is essential to the success of the latter that they should be as free as possible from the restrictions and delays which are the inevitable accompaniment of Government supervision.

These supply unions will entirely depend for their success on the establishment of central wholesale distribution stores, and it is essential that these stores should be run on a business footing, by business men, and I look to you gentlemen of Bombay, therefore who have established so wide a reputation for generosity and courage in starting new ventures, to come forward and place this movement on a firm and established basis by supplying the funds and the brains necessary to the establishment of this central store. Co-operative societies in this Presidency owe a deep debt of gratitude to Sir Vithaldas Thackersey who, with the help of the Hon. Mr. Lallubhai Samaldas and others, inaugurated the Bombay Central Bank; and the success achieved by the Bank, which has proved the very mainspring of the movement, will, I hope, encourage you to establish a similar central institution for the support and encouragement of the new societies. There are, as any one who has listened to Mr. Devadhar's lecture to-night will have realised, endless possibilities in the successful development of such a movement as I have described. In the Punjab considerable progress has already been made and I hear that societies started there have proved most successful. I do not wish the Bombay Presidency to be behind in anything and least of all in a matter which demands business acumen and a spirit of co-operation, and I am sure you will make this new movement a great success!

And now, gentlemen, I must say a few words about the Institute under whose auspices these lectures are being arranged. I must congratulate its Secretary, Rao Bahadur Talmakki, and all those who are concerned with the organisation of this extremely valuable institution. The response made to its inception was very encouraging, and it seems to me from a perusal of your first report that the board of management has drawn up a very business like programme and has extremely sound ideas as to the work which the

members of the Institute will do and the place which it will fill. But already, gentlemen, there is felt a need for expansion and consequently for more money. More money is needed to organise training classes for secretaries to give grants-in-aid to conferences, to engage better quarters for the reading room and co-operative library, to engage a permanent librarian and to pay for the initial loss on vernacular journals which are so essential a medium for the propaganda of the Society, and I would therefore appeal to all who are interested in the future of co-operation to subscribe very liberally to this institute which has already given full evidence of its great value.

I cannot conclude without saying one word about Mr. Ewbank, who has been Registrar for more than five years. By his personal enthusiasm and hard work he has been very largely responsible for the success of the movement. The fact that few, if any, societies have failed during the strain of last year's famine, is a sure sign of the firm basis upon which he and other leading co-operators of the Presidency have placed the framework of co-operation (Hear, hear) Ladies and gentlemen, I wish all success to your institute. I am sure that with your generous support it will continue to inspire and to lead the successful development of co-operation in the Bombay Presidency. (*Applause*).

## CO-OPERATION ABROAD

---

### Organisation of Agriculture.

The Earl of Selborne presided at the annual meeting of the Agricultural Organisation Society. Many practical questions affecting the work of farmers were discussed and the necessity of co-operation was generally urged.

Lord Selborne, in moving the adoption of the report, said that the past three years had been the turning point in the history of the society and an immense change had taken place for the better. Experience of Government control and increase in the cost of labour and production had brought home to those engaged in agriculture in this country the necessity of combination for business purposes. A society such as theirs was absolutely essential, and he was glad to know that they had won the confidence of the farmers as well as of the Government (Hear, hear). Every part of the country was now provided with its own branch organisation which made it possible to follow up promptly the openings for fresh co-operative work among farmers which had arisen in increasing numbers since hostilities ceased. The most striking feature of the work of the past six months had been the formation on a country basis in various parts of the country of large societies equipped not only for the supply of farm requirements, but also for the disposal of the principal articles of produce.

The operations of these societies were based on the principal market towns and the recognised trade routes, and most of the new societies were making a special feature of establishing depots to serve the various portions of their areas and of appointing local committees to supervise the working of these depots. The attitude of the society towards the general co-operative movement was nothing but friendly and fraternal, but it would have been a fatal mistake for an organisation of producers to have put itself wholly in the hands of an organisation of consumers. These fraternal relations, which he hoped to see permanently established, could only be maintained if the society was independent of external assistance. This independence could not be achieved without the aid of such a body as the Agricultural Wholesale Society, and until they had cut themselves free from Government support. Unless farmers and landowners would unite in supporting the local societies, the Agricultural Organisation Society, and the Agricultural Wholesale Society, the agricultural co-operative movement could not meet with success, especially at a time when every other industry in the country was thoroughly organised from top to bottom.

Among other matters referred to in the report, the adoption of which was seconded by Mr. F. D. Acland, M.P., and agreed to, it was stated that the policy of the Agricultural Organisation Society and of the Co-operative Dairy Societies had been the subject of serious misrepresentation on the part of trade competitors, and stress was laid on the success of co-operative effort in dairying already achieved by the societies which had been established. The Organisation Society was convinced that only through the medium of the producer's own co-operative agencies could the milk supplies of the country be increased and the quality improved. Reference was also made to the fact that twenty co-operative slaughter houses had been established in various parts of the country, and that negotiations were in progress with the object of starting many more.

In connection with the organisation of smallholders for the co-operative purchase of requirements and the sale of produce, it was considered that the linking up of individual smallholders with strong farmers' societies offered greater advantages than the formation of separated societies of smallholders, and it was stated that at the request of the Board of Agriculture the co-operative organisation of ex-Service settlers on smallholding colonics had been undertaken. The co-operative allotment movement was making rapid progress.

As the result of investigations made into disturbance of the tenure of allotments and smallholdings satisfactory arrangements were being made in a large number of cases, and the demands of holders for the retention of their allotments in the London parks for two years after the end of the war were being vigorously supported.

Lord Bledisloe expressed the hope that, specially in the interests of the sheep-farmers of the South of England, the organisation would take an early opportunity of resuming its activities with regard to the grading and backing of wool with a view to the organisation of the trade in such a way as to enable our home-grown wool to be put on the market in competition with overseas wool.

On the motion of Mr. Leslie Scott, K.C.M.P., supported by Lord Bledisloe, Colonel Weigall, M. P., was unanimously elected president in succession to Lord Selborne, who was warmly thanked for his valuable services during the past two years.

Colonel Weigall, in acknowledgment of the compliment, urged the desirability of the labourers' Unions following the example of the National Farmers' Union, joining hands with the landowners' organisations in order that all those engaged in the cultivation of the land might go forward together in absolute community on the business and commercial side of their great national industry.

An address was subsequently delivered by Mr. Leslie Scott pointing out the various directions in which the Agricultural Organisation Society and

and the affiliated societies could afford mutual help to one another. As they could not rely on the Government keeping their industry going, agricultural co-operation was of the first necessity for the general prosperity of the country. As the result of the establishment of co-operative slaughter houses he hoped that farmers would get a much larger proportion of the profits from dead meat and offal as well as from the processes of manufacturing inedible offals which before the war principally went to Germany.

Earl Grey, who insisted on the importance of co-operative slaughter-houses in the interests of farmers, stated that there were being passed through the existing slaughter houses every week 1,400 head of cattle and nearly 7,000 sheep. He regretted that farmers objected to the compulsory sale of meat by dead weight as he considered that it would be greatly to their advantage. It was essential that the question of cold storage should be tackled without delay.

Mr. Hincks (Leicester) contended that farmers should have the option of choosing between the two systems of sale by dead weight and sale in the open market, whichever might suit their pockets. Experience showed that the best cattle should be sent to the slaughter-houses and the inferior cattle sold in the open market.

#### INTERMEDIATE PROFITS

Mr. Leslie-Smith advised farmers for their own preservation to use every means in their power to do away with the intermediate profits between producer and consumer, and suggested that when control was taken off hay and straw farmers should sell them through their local co-operative societies.

## CORRESPONDENCE

---

[ *We do not hold ourselves responsible for the opinions of our correspondents.* ]

### 1. Mr. Wolff on Urban Banks.

To

*The Editor of the Bengal, Bihar and Orissa Co-operative Journal.*

SIR,

There are two points touched upon in the last number of your 'Journal' which irresistibly tempt me to ask the hospitality of your pages—even at the risk of appearing an irrepressible intruder.

In your "Notes and News" you make the appointment of a Special Assistant Registrar for the development of Urban Co-operation in Burma the peg upon which to hang some very timely remarks upon the desirableness of pushing the organisation of "urban" that is, non-agricultural Co-operation by the side of agriculture, in your country. There can be no question now that we have gathered experience, that quite the right thing was done in directing the attention of the organising power first of all to agriculture, which is the premier industry of India, upon the success of which—as had been recently justly emphasized by the Industrial Commission—the prosperity of the country depends, and which, in India, as elsewhere, as a matter of course, links on the general rural well-being. It may indeed be said of every country, that prosperous agriculture makes a prosperous, languishing agriculture a languishing people. It is the country which produces that which will buy what the town manufactures. But such maxim holds especially good of India.

However, although necessarily ranking second, towns have, even in India, with the immense raiyat population, their distinct and imperative claim to co-operative help and one is bound, accordingly, to rejoice to see attention now paid to this side of Co-operation. There are more claims still upon Co-operation, which we may hope to see honoured in due course. And it is, I think, particularly fitting that a beginning in this new course entered, upon should have been made of all provinces in Burma, to whose resourceful and energetic Registrar, past and present, the Co-operative movement in India stands indebted for more than one very valuable pioneering starts in aid of progress.

The taking up of "urban" business ought incidentally to set at rest the argument in favour of bracketing co-operation administratively with agriculture under one head—which head would infallibly be agriculture. The argument obviously rests upon an erroneous supposition, too hastily conceived. How on earth could the chief of the Agricultural Department look efficiently after the interest of urban co-operation? Let us all stick to our own last and we shall do well. In England we are asking that "Fisheries" should be taken away from the Board of Agriculture, and "Forestry" organized under a separate authority. In Italy 'Agriculture' has, in an administrative sense, been advisedly separated from its traditional companions, "Commerce" and "Industry". Indian co-operation, I trust, will before long be too big a thing to be tacked on to any other Department. And assuredly, in view of the backwardness of the bulk of the people, and the newness to them of the main tasks of co-operation, there is enough work for a separate staff to shoulder in the work to be accomplished under this one head.

Now, as regards the relation to be established, inside co-operation, as an assumed separate entity, between the "agricultural" and the "urban" branches, please do not be misled by a supposed analogy between the circumstances that we are treating of in India and those prevailing in Italy, which my friend M. Luzzati had to reckon with when he began his work, for the conditions in the two cases are essentially different. The relations between town and country are entirely dissimilar - those busy beehive towns of Italy, in which all business and wealth is lumped together, whereas in the country there to the poor agriculturist coins of the realm are things rarely coming into view.

Signor Luzzati began in the towns, having from the beginning and throughout only one form of co-operative credit, admirably suited to business men in towns and such substantial farmers as those of the rich Lombardian and Cremonese for which his system has worked wonders in his mind's eye. It was only in 1909 that he was brought round to an approval of the other system, appropriate to the conditions of humble, moneyless cultivators corresponding in their mental and economic position to the Indian raiyat and among them proportionately wonder working as M. Luzzati's system among the better trained and better endowed business men of cities. Besides the conception of a correlation between town banks and country banks, which he originally favoured, and which Mr. Dupernex had—unfortunately, as I must think—carried into Indian from his interview with the one heretical "co-operative" banker with whom he had conferred—who is indeed a highly competent "banker," but is by no one except himself recognized as a "co-operator"—is since a long time utterly played out and exploded. Even in the land of its birth, Italy, it is repudiated. "Urban" banks—so to call them—and "rural" have developed distinctly on entirely separate lines, maintaining their district organization to the end and forming, recently, their own several central institutions. It is only principle which unites them in mutual sym-

pathy in an "alliance" or an "amalgamation". In France the rural banks formed on distinct lines, and relying conclusively upon money coming from the "country" have long since outstripped "urban" banks by a long distance. In Germany where co-operation for credit is out and out most highly developed "rural" banks have no relation whatever with "urban".

Indians will do well to dismiss from their minds the unapt fancy of "urban" banks financing "rural".

There is quite enough work, independently of this, for "urban" banks to do and one would wish to see them—now that conditions appear sufficiently prepared and the public opinion appears to call for them—develop and multiply and gather strength greatly. The humbler class of industry and commerce, which is one of the hopes of Indian development must remain hopeless without them.

Of course the two forms should remain in union. They will do well to join in a common Federation, and, maintain their own, common Central Financial Institution. By this means that well-known difficulty, to which you rightly refer, namely the alternation of plethora and anaemia in institutions serving a membership composed of people exclusively of one class may be effectively got over.

To advert to another subject in Mr. Dutt's otherwise excellent paper - which I join with you in hoping to see widely read—there are two points that call for comments. Mr. Dutt appears to feel disappointment at the fact that, notwithstanding the creation of Co-operative Banks, raiyat indebtedness keeps increasing. But what else are Co-operative Banks then for? Credit is now-a-days the great driving wheel of all business. It is what men of business operate with. Joint Stock and private banks make their living by borrowing all that they can get. A leading Director of one of our largest Joint Stock Banks, a noble lord, dead, I think, a few years, made a standing boast to me of the enormous indebtedness of his bank, which indeed holds among all the largest amount of deposits. The United Kingdom has an incomparably large debts than the Republic of San Marino but is richer in proportion. Merchants and manufacturers, as the Americans call it "merchandize with money." The commercial man, so the late M. Bernaert, while on Prime Minister, and for a long time speaker of Parliament in Belgium, put it, "glories in his credit" which means his indebtedness. The agriculturist requires working money as well as the merchant. It is, according to the proverb "money which makes the mare to go." But he has not got it. And Co-operative Banks were expressly invented to supply him with it, not to frighten him out of using it. The crucial point in the problem is this, that the money borrowed should be remuneratively invested, so as to yield a profit upon the employment. Now it is the special recommendation of "Co-operative" banks, as contrasted with others, that so long as they are properly conducted, enquiring about the object for which loans are asked and forcibly holding borrower to such object, they ensure such employment, making the loan

fructifying, instead of risking it is becoming like a Malayan's loan. India should stick to that safeguard and rejoice instead of complaining in raiyats becoming, on such lines, more and more indebted. After a time the point will be reached at which the older among your customers, having accumulated enough, will need no more credit. But we have not yet got there by a long way.

Another point is this. Mr. Dutt will have it that "the Indian farmer is second to none in the world in agricultural skill" and he goes on to show conclusively that in very truth the said cultivator is utterly wanting in such "skill" in as much as he produces only half or one-third crop and cannot succeed in making his agriculture pay! Evidently what Mr. Dutt means, and what he is justified in asserting is, that the Indian agriculturist is second to none in intelligent, painstaking, patient manual work—definite use of his spade and his hoe and in the making and employment of that "reh" which so hopelessly puzzles us Europeans. He is like the well trained soldier, who knows admirably how to handle his rifle and execute military evolutions, but cannot for the life of him conceive how to employ such "skill" so as to ensure victory in the place of defeat. The "skill" of strategy is worth a hundred times more than that of individual tactics, the skill in making a "business proposition" of farming more than that of hand hoeing a row of plants. By all means let the Indian raiyat retain the skill that he knows and receive the credit due to him for it, but let him add to it—all his future prospects depend upon that—the far more valuable knowledge of making agriculture to pay. For this, so I may add, he appears to be exceptionally well situated in India. For no country, so I believe, is better adapted agriculturally.

Kindly pardon the length of my lucubration and believe me, sir

Your obedient servant,

(Sd.) HENRY W. WOLFF.

## 2. Supervisors of Co-operative Societies.

To

*The Editor, Bengal, Bihar and Orissa Co-operative Journal.*

SIR,

The Supervisors of Co-operative Societies are the most important function are in the machinery of the Co-operative administrator in the province of Bengal Behar and Orissa. As a practical worker in the movement, I am convinced that their standard of efficiency is not what it ought to be. They are, so to speak "the eyes and ears" of the Co-operative

administrator. Make these sharp and responsive, the health of the whole Co-operative body is bound to improve, allow them to be atropic, and the whole movement will deteriorate. It seems to me, that there is a very large scope of improving this very important class of Co-operative officers.

It is the Supervisor who has to visit the societies and carry on instructions for improvement of the rural societies. The audit notes contain elaborate sets of questions and answers regarding the "Co-operative standard" working of the rural societies besides questions about accounting etc. Now have we got a machinery for instructing these supervisors about the various principles of Co-operation, and the true meaning and significance of the movement itself. As the standard of efficiency of most of our supervisors at present stands, most of them do not understand the Co-operative principles themselves. How can such men be expected to train others in matters which they themselves do not know? Though the teaching of the members of rural societies the proper methods of writing up accounts is important I would place it much lower than the teaching of Co-operative principles.

Unfortunately there is no institution in this country at present where these officers can learn these. The system of departmental examination is but a poor substitute. You can not expect one blind man to show the way to another. You can not also expect a superior himself unacquainted with Co-operative principle, to teach these poor and ignorant members of our rural societies.

I am strongly of opinion that the only way to bring our societies to the deserved standard of efficiency would be by improving the standard of efficiency of these supervisors. I do not know the exact number of supervisors in Bengal, I should think that the number may be between 150 to 200 men. There is a slack season as well as a brisk season in the work in a supervisor's area. This slack season may not be the same in case of all the districts and all the areas.

I would suggest that no time should be lost in creating a Central Institution in Calcutta for the training of these men in batches. In this institution these men should be taught.

- (1) The principles of general economics so far as they are connected with Co-operation
- (2) Co-operation—both in India and abroad.
- (3) Banking, book-keeping and accountancy.

The course of training must at least extend for six months. After the completion of the course the officers must undergo an examination. If they are successful they will be entitled to a certificate of efficiency if not, they may be allowed another chance during which they will be entitled to half the usual allowance from the C. B. People failing to pass in this second chance may be declared ineligible for service under any C. B.

Annually, a small number of selected Hindu and Mahomedan students

possessing some requisite standard of education may be similarly trained up and declared eligible for employment. It may be made compulsory for Central Banks to confine their selection of supervisors to this class of men and no other.

The Central Institution in Calcutta need not be a costly affair. I hope it will be possible for some of the expert co-operators and professors of economics in the Calcutta Colleges to take up this work in addition to their existing work for a small additional remuneration. To some of them this will be a labour of love. It may also be possible for some of the mufasil workers to help the work. The Registrar's staff of expert auditors may also be utilised for the work. The cost may be borne partly by the department, partly by the Central Banks who will be vastly benefited by this scheme. It may also be possible to the existing supervisors to bear a portion of the cost of their training.

The matter seems to me so important and urgent that I felt it my duty to place it for the consideration of the public interested in the movement.

TARAKNATH MAITRA,  
*Deputy Chairman*  
 Pabna Central Co-operative Bank Ltd

## REVIEWS AND ACKNOWLEDGMENTS

We welcome the appearance of a new economic journal "*Commerce and Industries*" which has begun to appear since July last. There is no doubt a great want of journals to spread correct ideas on economic subjects; and from the get up of the first number it would seem that the present journal will take up conscientiously the task of the dissemination of fruitful economic ideas.

The July number of the *Mysore Economic Journal* gives an interesting accounts of the Mysore Economic Conference and its work. There is also a useful article contributed by Mr. Eaton on the methods of machinery for the Extraction of oil from seeds. "Rusticus" studies the Progress of Co-operation in the United Provinces

The June number of the *Madras Bulletin of Co-operation* contains a number of good articles. Mr. Srinivasan deals with the difficulties caused in co-operative practice by the Hindu Joint Family system. Another article gives an account of some experiments of arbitration by *Panchayets*. The editorial notes comment adversely on the movement which demands a separate Registrar for the "Andhra" districts. We are of the same opinion in general but we cannot forget that sometimes local or communal enthusiasm has done much in the cause of co-operation

We beg to acknowledge with thanks the receipt of the *Social Service Quarterly*, *The Wealth of India*, *The Journal of Dairying*, *the Indian Review* and *the Modern Review*

## BUSINESS NOTICE

I. The annual subscription to the *Bengal, Bihar & Orissa Co-operative Journal*, including postage, is rupees three only for India and six shillings net for foreign countries, payable strictly in advance. A single copy of the Journal can be had for annas eight only.

II. The Journal will be ordinarily issued every alternate month. Short articles and correspondence on Co-operation and allied topics will be welcome. Rejected articles can be returned only if accompanied by stamped and addressed envelope.

III. Complaints about the non-receipt of the Journal should reach the Office within 15 days of the month after the month of issue.

IV. Contributions must be written (preferably typewritten) on one side of the paper and must be accompanied by the full name and address of the writer which will be published only if the writer so directs.

V. All remittances should be sent to Mr. N. C. Bose, Hon. Treasurer, *B. C. O. Society*, 6 Dacie's Lane, Calcutta.

VI. All communications (including literary contributions, etc. for publication in the Journal) should be sent to Prof. P. Mukherjee, Hon. Secretary, *B. C. O. Society*, 6, Dacie's Lane, Calcutta.

VII. The scale of charges (payable strictly in advance) for advertisements in the *Bengal, Bihar & Orissa Co-operative Journal* will ordinarily be as follows —

### *For occasional insertions*

|                      |                      |
|----------------------|----------------------|
| One page             | Rs. 15 per insertion |
| Half page            | „ 8 „ „              |
| Quarter page or less | „ 5 „ „              |

### *For insertion in six consecutive issues*

|                      |        |
|----------------------|--------|
| One page             | Rs. 65 |
| Half page            | „ 35   |
| Quarter page or less | „ 18   |



TO LET

TO LET

TO LET

TO LET



NEVER CUTTING NO SCISSOR OR TAMPERED WITH WHEN LOCKED.

# DAS & CO.'S PAD-LOCKING BARS

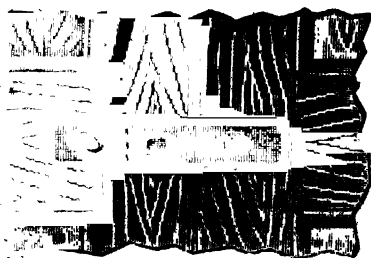
(Hasp & Staple Pattern)

MADE OF

MILD-STEEL—(Japanned or Galvanized),

FOR

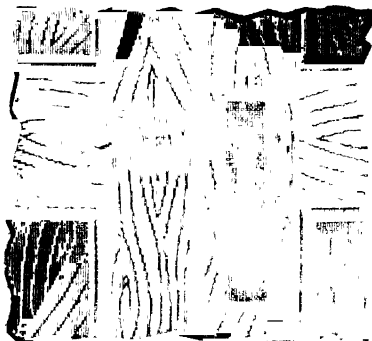
GODOWNS,  
OFFICES,  
SHOPS and  
DOMESTIC use.



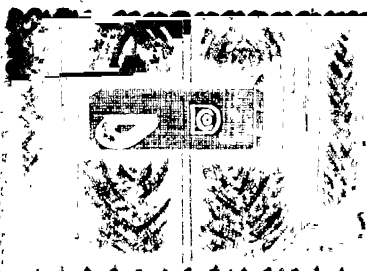
Swivelling (Locked).

## "A"—PATTERN (Swivelling.)

| Size                | Price of each |         |
|---------------------|---------------|---------|
|                     | Japanned      | Galvd.  |
| 8" x 2" x 1/8" ...  | Rs. 2-8       | Rs. 3-4 |
| 10" x 2" x 1/8" ... | " 3-8         | " 4-8   |
| 12" x 2" x 1/8" ... | " 4-12        | " 6-4   |
| 12" x 2" x 1/4" ... | " 6-0         | " 7-8   |



Swivelling (Open).



Folding (Locked).

## "B"—PATTERN (Folding.)

| Size                | Price of each |         |
|---------------------|---------------|---------|
|                     | Japanned      | Galvd.  |
| 8" x 2" x 1/8" ...  | Rs. 3-0       | Rs. 4-0 |
| 10" x 2" x 1/8" ... | " 5-0         | " 6-0   |
| 12" x 2" x 1/8" ... | " 6-0         | " 7-4   |
| 13" x 2" x 1/4" ... | " 8-8         | " 10-0  |

**DAS & CO.,**  
CHITPUR LOCK & SAFE WORKS,

The "ABBA" M.P.Y.

14, Cossipur Road, Cossipur P. O.

Phone No. 416

Calcutta

Calcutta





# BENGAL HOME INDUSTRIES ASSOCIATION.

---

## SALE DEPOT

3A, HOGG STREET,  
SAMAVAYA MANSIONS,

*Branch Sale Depot - 179, Cornwallis Street,*  
**CALCUTTA.**

---

AN INSTITUTION TO MARKET THE FINISHED PRODUCTS OF THE  
COTTAGE INDUSTRIES OF BENGAL.

**Buttons**, m. o. p. and horn, splendid qualities, at surprising prices.

**Dacca and other muslins**, beautiful designs, white and dyed, dress lengths, blouse pieces, *saries*.

**Jharans and dusters** in all qualities, strong and lasting, at very low prices.

**Kashida cloth**, a rich silk embroidery, table covers, cushion covers and dress pieces.

**Tippera fine cloths**, suitable for dresses, door curtains, bed covers, the cheapest cloths in Bengal.

**Silks, matkas, baptas and tussars** of the best quality, suitings, shirtings and dress lengths.

**Bell metal**, finger bowls, cups, glasses and ornaments.

**Ivory combs and ornaments**, horn combs, rugs and blankets, tweeds and foot rugs.

**Cutlery**, pruning knives, penknives, table knives.

**Leather, sheepskins, crome, and bark tanned**, for Tops

**Apply for our Catalogue**, no samples sent. Prices are  
*real value.*

FOR ALL KINDS OF  
**GOLD & SILVER ORNAMENTS**

PLEASE CALL AT  
**Messrs. GHOSH & SONS,**

Manufacturing Jewellers,

Gold and Silver-Smiths, Watch and Clock Dealers and  
 Repairers, Engravers and Opticians.

BEST MATERIALS  
 BEST WORKS . .  
 BEST PRICES . .

IF YOUR WATCH NEEDS  
 REPAIRS SEND IT TO US

WORK CARRIED  
 OUT BY BEST . .  
 WATCH MAKERS

E. B. 18, College St., Municipal Market, Calcutta.

*Head Office:*—Harrison Road, }  
*Branch:*—Radhabazar Street, } Calcutta.

**The Pabna Central Co-operative Bank, Ltd.**

(Registered under the Act II of 1912)

Registered Office--PABNA.

|                    |     |              |
|--------------------|-----|--------------|
| Authorised Capital | ... | Rs. 3,00,000 |
| Subscribed Capital | ... | „ 1,00,488   |
| Funds              | ... | „ 20,000     |
| Working Capital    | ... | „ 10,80,989  |

Investments in such banks are quite safe and sound as:—

- (1) They are purely Co-operative Banks
  - (2) They do not lend to individuals nor invest their funds in any speculative business.
  - (3) Their business is entirely conducted under the supervision and control of the Registrar of Co-operative Societies, Bengal.
  - (4) They invest their funds only in Co-operative Societies with unlimited liability
- Fixed deposits received and interest allowed to the depositors who are residents of the Pabna Sadar Sub Division as follows.—

|     |                            |
|-----|----------------------------|
| 5½% | per annum fixed for 1 year |
| 6%  | „ „ 2 years                |
| 6½% | „ „ 3 „                    |
| 7½% | „ „ 4 „                    |

Depositors from outside are requested to settle the rate of interest by correspondence.

When ordering please mention "The Bengal, Bihar & Orissa Co-operative Journal."



# The Bengal, Bihar and Orissa Co-operative Journal

NOVEMBER, 1919

## CONTENTS

|   | PAGE |
|---|------|
| 1. NOTES AND NEWS   | 129  |
| 2. THE INDIAN FARMER & HIS INDEBTEDNESS—<br>By Mr. G. S. Dutt, I.C.S.                                   | 138  |
| 3. THE NEED FOR AGRICULTURAL ASSOCIATIONS<br>By Mr. J. K. Biswas, Suptd. of Agriculture, Dacca Division | 140  |
| 4. CO-OPERATION AMONG THE MEMBERS OF THE CALCUTTA CORPORATION—<br>By Mr. Girish Chandra Mazumdar, B.A.  | 151  |
| 5. HIGH PRICES AND THE CO-OPERATIVE STORES MOVEMENT   | 158  |
| 6. CONTROL OF VILLAGE SOCIETIES BY CENTRAL BANKS  | 162  |
| 7. CO-OPERATION IN BENGAL—  |      |
| (1) Progress of the Bankura Weaving Societies   | 165  |
| (2) The Ramporchat Central Bank   | 166  |
| (3) The Jessore Central Bank  | 168  |
| (4) The Chandpore Central Bank  | 169  |
| (5) The Bangabasi College Co-operative Store  |      |
| (6) A Co-operative Store at Pabna   | 171  |
| (7) A Co-operative Store at Bagerhat  |      |
| (8) The Khulna District Co-operative Conference   | 171  |
| 8. NEW LINES OF CO-OPERATIVE ADVANCE IN BENGAL  |      |
| (I) Report on "The Calcutta University Co-operative Stores"   | 177  |
| (II) Report on the work of the Students' Co-operative Stores<br>Organization Committee                  | 186  |
| (III) Report on Development of Industrial Co-operation in<br>Bengal                                     | 190  |
| (IV) Report on Co-operative Training in Bengal  | 192  |
| 9. THE BOMBAY CO-OPERATIVE CONFERENCE   | 195  |
| 10. MR. DEVAHDAR'S PRESIDENTIAL ADDRESS AT THE MYSORE<br>CO-OPERATIVE CONFERENCE                        | 200  |
| 11. REPORT ON FUTWA STORES  | 209  |
| 12. BANKIPORE CO-OPERATIVE BANK   | 215  |
| 13. EXTRACTS AND SELECTIONS—  |      |
| (1) Agriculture and Co-operation  | 216  |
| (2) Cottage Industries in India   | 216  |
| (3) Indian Cottage Industries   | 218  |
| (4) Indebtedness of the Punjab Peasantry  | 218  |
| (5) Co-operative Ginning  | 219  |
| 14. CORRESPONDENCE—Calcutta Charmakar Co-operative Society  | 221  |
| 15. REVIEWS AND ACKNOWLEDGMENTS   | 222  |
| 16. IMPORTANT CIRCULARS   | 224  |

# THUMB IMPRESSION APPARATUS



Highly recommended for the use of Co-operative Banks by the Registrar of Co-operative Societies, Bengal, Behar and Orissa, Assam, United Provinces, Central Provinces, Baroda, Punjab, etc.

*Special rates for Co-operative Societies*



## RAY BROTHERS

WRITING INK & HIGH CLASS RUBBER  
STAMPS MANUFACTURERS, WOOD &  
METAL ENGRAVERS.

86, Harrison Road, Calcutta.

When ordering please mention "The Bengal, Bihar & Orissa Co-operative Journal :

# **The** **ENGAL, BIHAR AND ORISSA CO-OPERATIVE ≡ JOURNAL ≡**

**Vol. V**

**NOVEMBER, 1919**

**No. 3**

## **NOTES AND NEWS**

The progress of co-operation in different provinces of India has already necessitated the publication of a great number of manuals and handbooks dealing with the practice of the subject. We have for instance the Handbook of Co-operation for Burma by Mr. English and the eminently readable and instructive manual for co-operative societies in the United Provinces from the pen of Mr. Willoughby. Mr. Ewbank had already published the first edition of the present manual for Bombay in 1911. In the new edition before us the author has developed the subject further and has placed at the disposal of Indian co-operators the treasures, both new and old, of his experience as a guide to co-operation both on the practical and theoretical side. For eight years the author has directed and promoted the fortunes of co-operation in Bombay where his success may be measured by the results: the number of societies grew from 375 to 1,650, the number of members increased from 29,419 to 156,805 and the working capital developed from 32 lakhs to more than a crore and a half.



The first part of the work includes a valuable resume of the leading principles of co-operation and of its rise and growth in

India. After discussing briefly the system under which credit societies are organised, financed and controlled, Mr. Ewbank lays down the lines on which the three guiding institutions of co-operation are to co-ordinate their activities. The Registrar is to be responsible for seeing that the Act, Rules and Bye-laws are not infringed, that fundamental co-operative principles are not disregarded and that a regular annual audit is made of every society. The Central Co-operative Bank undertakes the finance of the movement, assesses and organises its credit, acts as a balancing centre and serves as a channel between Co-operative Units and the outside money market. The Central Co-operative Institute is to be responsible for all forms of Co-operative propaganda, education and enquiry, and to represent independent co-operative opinion on all questions affecting the movement. It is also to be the connecting link between the federations which are projected in each separate linguistic area of the Presidency. Here are the outlines of a felicitous division of labour provided the banks be confined to their legitimate functions and the central institutes prove live organs of instruction and propaganda. The policy outlines by Mr. Ewbank justifies the tribute offered by Mr. Wolff to the public spirit of our Registrars. "We have no reason in India to apprehend that official influence would be abused for political purposes as it has been on the European continent. Registrars are honestly endeavouring to train those placed temporarily under their charge up to the point of self-administration. Themselves officers of the State they look generally to the hastening the time when co-operation can be fully de-officialised". But here some important questions suggest themselves. Will our Central Co-operative Institutes rise to the opportunity? Are voluntary workers coming forward to carry on their part of the strenuous task and to devote a large portion of their lives to the work and to bear the heat and burden of the task? That remains yet to be seen.



After devoting the first part of his work to the description of the co-operative structure and to the Co-operative Act, the author furnishes us with hints on the organisation of credit societies and

banks. Incidentally he lays down principles to guide the propagation of societies in future. "While the movement was still in its infancy, societies were registered haphazard and experiments were made wherever an opening seemed to occur. A stage has now been reached when this policy must be abandoned. It is no longer permissible to press societies on a hesitating peasantry. As the working of the existing societies improved they should be left to recommend themselves to their neighbours. New societies should come into existence in response to a genuinely spontaneous local demand". Should this rule be followed conscientiously we should not have such a deal of diseased tissue to be cut away in the body co-operative. The practical rules and hints given in this work are of the highest value. Whether the author deals with the first general meeting of a society or the first meeting of the managing committee or with how to advance and how to recover loans or with raising of capital for urban banks or fixing the rate of interest or with registration of societies or with application of loans from Central Banks the treatment covers every detail of the matter in hand. In the case of slightly complicated rules model examples are worked out arithmetically to illustrate the principle fully. The book is at once a detailed study of management of societies and a practical guide for the co-operator on the Bombay side.



Part III comprises a series of valuable studies on Manure supplying societies, Cattle breeding societies, Co-operative stores, Weaver's societies, Housing societies and Co-operative dairies. The instructions given are very full, nor is the element of humour entirely absent from the Manual. Thus for the benefit of the man in charge of the dairy Mr. Ewbank observes "It is needless to add that no substance whatever should ever be added to the milk before it is sold." Those who are organising housing societies are advised to secure members bound to each other by common interests and pursuits and such as belong to a single community, caste, class, or profession. "By this method of selection vegetarians can avoid living next to meat eaters, lovers of European

music can escape a neighbour who practises Indian music, and so forth”.



The most important features of Part IV are the chapters on Arbitration, Liquidation, and Inspection and Audit. The student of co-operation will do well to devote special attention to the last mentioned chapters in which Mr. Ewbank deals with the objects and lines of inspection and with the scope and methods of audit.



A perusal of the Ninth Annual Report of the Ramporehat Central Co-operative Bank will at once show the bright and dark sides of the co-operative movement in this Presidency and in India generally. We are told for instance that “party-feelings appear to have decreased in some societies”, that the local money-lenders have generally reduced their rates of interest and that a considerable amount of local capital has been attracted. But the Directors do not satisfy themselves by presenting only this rosy colored picture before the shareholders : they have the rare courage of pointing out the very serious defects and weak spots that are retarding the progress of the movemet.



Thus we are told that the majority of members are still in debt, that they are attracted more by cheap credit than by any real appreciation of the principles of the movement, and that some societies had to institute suits against members and office-bearers. The Directors apprehend that cheap credit has in certain cases directly helped in adding to the financial embarrassment of members.



The remedy for this state of things is education and development of non-credit forms of co-operation : we are glad to find that the Directors of the Ramporehat Central Bank are keenly alive to the needs of the situation. For they have set on foot the proposal of starting supervising unions in different areas to

relieve the Central Bank to some extent of the onerous duties of educating and supervising the affiliated societies. The Directors are also not unmindful of starting different sorts of co-operative societies within their area : they have already started a purchase and sale society at Ramporehat. In this connection may we not hope to see some sort of organic union between the Branch Agricultural Associations and the co-operative societies in Ramporehat Sub-division ?



Ever since we heard of the wonderful development of the Branch Agricultural Associations in the District of Birbhum, we have been thinking of a possibility of a wider and broader union of efforts which would concentrate on rural reconstruction and development in all its aspects. Such a synthesis has been attempted in Burma where they have "District Agricultural and Co-operative Associations." The objects are—

(A) *To assist registered co-operative institutions in the District by—*

- (1) Advice when in difficulties.
- (2) Approaching Government officers in order to get obstacles removed.
- (3) Promoting close relations between district officials and co-operative institutions.
- (4) Generally watching over the interests of co-operative institutions.

(B) *To assist co-operative administration in the District by—*

- (1) The propagation of co-operation.
- (2) Arranging District Conferences and suggesting subjects for discussion thereat.
- (3) Urging compliance by co-operative institutions with the resolutions of District Conferences.
- (4) Reporting recalcitrant institutions to the Registrar.
- (5) Arranging for the collection of funds for the payment of Union Inspectors, controlling their work and paying them.

(C) *To assist agricultural development by—*

- (1) Assisting the Agricultural Department in the introduction of improved methods and seed.
- (2) Advising the Agricultural Department.
- (3) Proposing to the Deputy Director of Agriculture through the Deputy Commissioner a programme of work for the District Agriculturist and submitting annually criticisms thereon.

(D) *To assist industrial development by* advising the Registrar, Co-operative Societies, or other officer in charge of the development of industries.

(E) *To assist District officers by* advice on any matter affecting the well-being of the population of the District (*e.g.*, education, sanitation, roads, irrigation, postal facilities, distress, etc.).

The membership is composed of—

- (1) The District Central Co-operative Bank, where such exists.
- (2) All Unions of Co-operative Societies in the district registered under the Co-operative Societies Act, 1912.
- (3) All registered Urban Co-operative Credit Societies and Co-operative Town Banks in the District.
- (4) All registered Co-operative Societies in the district of artisans, which have not been affiliated to any Union.
- (5) All registered Co-operative Societies for the purpose of production and sale in the district, similarly unaffiliated.
- (6) Persons nominated annually by the District Agricultural and Co-operative Conference as representative of the industries or trade of the district, or interested in the development of agriculture, co-operation, or industries therein, provided that such persons be resident within the district and the total number of the persons so nominated does not exceed three-fourth of the members admitted under sub-sections (1) to (5) inclusive.

- (7) The District Agriculturist and any other officer of the Agricultural Department not below the grade of Sub-Overseer stationed or working in the District.
- (8) Honorary Organizers appointed by the Registrar.
- (9) Junior Assistant Registrars employed in the District.
- (10) The Director of Agriculture, the Deputy Director, the Registrar, the Joint Registrar and Assistant Registrar when present in the District.

Co-operative institutions or groups thereof which are, under the provision of this bye-law, members of the Association shall be presented by one delegate each duly selected by the Committee of such institution or by the Committees of the Societies forming a group.

*The General Meeting.*—The ultimate authority in all matters relating to the administration of the Association and the accomplishment of its objects shall be the General Meeting which shall meet from time to time as may be necessary but at least once a year in February. Each member shall have but one vote and in case of equality of votes a motion shall be held to be lost.

A quorum shall be obtained provided at least three-fifths of the Union Chairmen in the District be present.

General Meetings shall be convened by the Chairman of the Committee.

The General Meeting shall elect a Chairman for each meeting.

Resolutions of the General Meeting shall be recorded in a minute book and be signed by the Chairman of the meeting.

*The Committee.*—The General Meeting shall appoint annually in February a Committee of nine members not less than three of whom shall be selected from members nominated by the Annual District Agricultural and Co-operative Conference under bye-law 3(6). The Committee shall elect a Chairman for the year.

The Chairman of the Committee and one member thereof shall be the officers authorised to sign documents on behalf of the Association.

A quorum shall be obtained if five members be present.

The duties of the Committee shall be—

- (1) To meet as often as may be necessary. Meetings shall be convened by the Chairman of the Committee.

- (2) To carry out continuously the objects of the Association stated in bye-law 2.
- (3) To give effect, as far as may be done by exhortation, to the resolutions of the Association as regards co-operative institutions.
- (4) To conduct correspondence with Government officers and others.
- (5) To prepare and submit to the General Meeting in February a report on the action taken by the Association to give effect to the objects stated in bye-law 2 ; on the efficiency or otherwise of co-operative institutions in the District ; on the subjects prepared for discussion at the next District Conference and on the recruitment, working and remuneration of Union Inspectors in the District.
- (6) To collect from the District Central Bank, Unions and individual societies such subscriptions as the General Meeting may prescribe to defray the cost of the District Conference.
- (7) To arrange the programme of work of Union Inspectors and control their work ; to collect funds from Unions for their pay, to pay them and, if necessary, fine them.
- (8) To submit an annual report and balance sheet to the February General Meeting.

The Committee may appoint Sub-Committees of members of the Association the better to carry out its duties. Such Sub-Committees shall report to the Committee. The Committee shall appoint an Honorary Secretary and an Honorary Treasurer.

The Funds of the Society shall consist of—

- (1) Subscriptions from its members in the District at rates fixed yearly by the General Meeting subject to the approval of the Registrar, Co-operative Societies.
- (2) Donations or subscriptions by the Local Government, Local Funds, or private persons.

Provided that subscriptions shall not be levied from Co-operative Institutions except to defray the cost of administration

and management and for charitable purposes as defined in section 2 of the Charitable Endowments Act, 1890.



The Chandpur Central Bank authorities are also alive to the defects in the working of affiliated societies, *viz.*,—(a) defects in accountancy, (b) defaults in repayment of loans, (c) want of local deposits, (d) irregularities in holding general meetings and Committee meetings, (e) appropriation of the bulk of the loans by the *panchayets*, (f) want of knowledge of the principles of co-operation. These are common ailments from which the Indian co-operative body has been suffering; it is a happy sign of the times that the defects are recognized and sometimes bold remedies are applied to eradicate them. The introduction of the “Comilla Examiners” system and of the share basis in rural societies, the wider diffusion of co-operative education by means of leaflets, journals and lectures, closer supervision by Central Banks—these are some of the remedies that are being vigorously applied by the energetic Secretary of the Bank, Babu Nalininath Banerji; we hope his efforts in these directions will be crowned with success.



We believe it is intended to hold the Eleventh Provincial Co-operative Conference towards the end of February next. We hear that Mr. M. Thorpe, I.C.S., late Collector, Khulna, may shortly join the Department of Co-operation as Deputy Registrar of Co-operative Societies. Mr. Thorpe was largely instrumental in organizing the Khulna Co-operative Conference. He is a well-known Co-operator and his close connection with the Department would certainly conduce to the further development of the movement in Bengal.

## THE INDIAN FARMER AND HIS INDEBTEDNESS

---

[By MR. G. S. DUTT, I.C.S.]

In the last number of this Journal, Mr. H. W. Wolff has done me the honour of referring in appreciative terms to the summary of my address on Agricultural Organisation and Rural Re-construction which appeared in one of its previous issues. Mr. Wolff describes it as an "excellent paper"—and one which he joins with the editor of the Journal in hoping to see widely read. He has however criticised the paper on two points. The questions raised by him may be briefly put as follows :—

- (1) Is the Indian cultivator lacking in agricultural skill?  
and secondly,
- (2) Whether an increasing indebtedness of the Indian cultivator to his Co-operative Society is a sign of his increasing prosperity?

I shall deal first with the question of the skill of the Indian Cultivator. In my address on Rural Re-construction I said : "We all know that the Indian farmer is second to none in the world in agricultural skill. So far as his traditional methods of agriculture are concerned the Indian farmer in most parts of the country is an adept in the art. And yet it is now impossible to deny the fact that he has a great deal to learn from the results of scientific research in agriculture and from the experience of farmers in other parts of the world". In criticism of this Mr. Wolff says :—

"Mr. Dutt will have it that the Indian farmer is second to none in the world in agricultural 'skill' and he goes on to show conclusively that in very truth the said cultivator is utterly wanting in such 'skill' in as much as he produces only half or one-third crop and cannot succeed in making his agriculture pay! Evidently what Mr. Dutt means, and what he is justified in asserting is, that the Indian agriculturist is second to none in intelligent,

painstaking, patient manual work, definite use of his spade and his hoe and in the making and employment of that 'reh' which so hopelessly puzzles us Europeans. He is like the well trained soldier, who knows admirably how to handle his rifle and execute military evolutions, but cannot for the life of him conceive how to employ such 'skill' so as to ensure victory in the place of defeat. The 'skill' of strategy is worth a hundred times more than that of individual tactics, the skill in making a 'business proposition' of farming more than that of hand hoeing a row of plants''.

Now, in the first place, it may be remarked that the Indian cultivator does not depend upon the definite use of his "spade". Indian agriculture emerged centuries ago from the stage of the "spade" to that of the plough.

As regards the technical "skill" of the Indian farmer, the distinction drawn by me was between "skill" and knowledge—*skill* which the Indian cultivator does possess in the traditional methods of his art, and the scientific and up to date *knowledge* in which he is lacking. This distinction between 'skill' and 'knowledge' appears to me to be one which is easily intelligible. The distinction which Mr. Wolff has drawn between "skill of strategy" and "skill of individual tactics" and "skill in making a 'business proposition' of farming" does not, on the other hand, appear to me to be so easily intelligible.

Nor is it a fact, as Mr. Wolff appears to premise, that all the 'skill' of the Indian cultivator is limited merely to "intelligent, painstaking, patient manual work" or to "the definite use of his spade (plough?) and his hoe" and to mere "hand hoeing a row of plants". On the contrary, as I stated in my address, and as I still maintain, the Indian cultivator is second to none in the world in 'skill', so far as his traditional methods of agriculture are concerned. I will make my meaning clear by two quotations.

Mr. A. O. Hume, C.B., who knew the Indian agriculturist well, thus wrote as early as 1879 :—

"So far as rule of thumb goes, the experience of 3,000 years has not been wholly wasted. They know to a day when it is best (if only meteorological conditions permit) to sow each staple and each variety of staple that is grown in their neighbourhood; they know the evils of banks and hedges dwarfing the crops on either

side and harbouring vermin, and will have none of them, they accurately distinguish every variety of soil, and so far as the crops they grow are concerned, the varying properties and capacities of each; they fully realise the value (though they can command but little) of ordinary manure, ashes and the like, and recognise which are most required by which kind of crops; they know the advantages of ploughing, in most cases as deep as their imperfect implements and feeble teams will permit, and of thoroughly pulverising the soil; and they also recognise where, with a scanty or no supply of manure, it would be folly to break the shallow-lying pan. As for weeds, their wheat fields would, in this respect, shame ninety-nine hundredths of those in Europe. You may stand on some high old barrow-like village site in upper India, look down on all sides, on one wide sea of waving wheat broken only by dark-green islands of mango groves, many, many square miles of wheat and not a weed or blade of grass above six inches in height to be found amongst it. What is to be spied out creeping here and there on the ground is only the growth of the last few weeks, since the corn grew too high and thick to permit the women and children to continue weeding. They know when to feed down a too forward crop; they know the benefit of, and practise, so far as circumstances and poverty permit, a rotation of crops. They are great adepts in storing grain, and will turn it out of rough earthen pits, after twenty years, absolutely uninjured. They know the exact state of ripeness to which grain should be allowed to stand in different seasons; in other words, under different meteorological conditions, to ensure it keeping when thus stored; and equally the length of time that, under varying atmospheric conditions, it should lie upon the open threshing floor to secure the same object" and again: "certainly very few European farmers could, fettered by the same conditions as our ryots, produce better, if as good, crops".

Again this is what Dr. Voelcker had to say in 1893:—

"At his best the Indian *raiya* or cultivator is quite as good as, and, in some respects, the superior of, the average British farmer, whilst at his worst it can only be said that this state is brought about largely by an absence of facilities for improvement which is probably unequalled in any other country, \* \* \* \* But, to take the ordinary acts of husbandry, nowhere would one

find better instances of keeping land scrupulously clean from weeds, of ingenuity in device of water-raising appliances, of knowledge of soils and their capabilities, as well as of the exact time to sow and to reap, as one would in Indian agriculture, and this not at its best alone, but at its ordinary level. It is wonderful, too, how much is known of rotation, the system of 'mixed crops', and of fallowing. Certain it is that I, at least, have never seen a more perfect picture of careful cultivation, combined with hard labour, perseverance, and fertility of resource, than I have seen at many of the halting places in my tour".

Apart from the evidences of these two unimpeachable authorities, I was surprised at Mr. Wolff's objecting to my speaking with approval of the traditional 'skill' of the Indian cultivator when I find that Mr. Wolff himself, in the first page of his recently published and admirable book "Co-operation in India", says :—

"India was a country carrying on *skilled* agriculture, cultivating wheat and other standard crops of modern time, tilling its fields with meticulous care and with plenty of evidence offered of physiological and technical knowledge, at a time when, in their own un-reclaimed mountain and morasses, Europeans still hunted the bear and the wolf".

And further on in the same paragraph, speaking of Indian agriculture, he says :—

"However, the elements are there. Skill is there. Capacity for labour is there."

It is not in 'skill', then, that the Indian agriculturist is wanting, but in organisation and in the command of his market and in education—specially in agricultural education on modern lines, and in a knowledge of the up-to-date results of scientific research.

We come next to the second question, *viz.*, whether an increasing indebtedness of the Indian cultivator is a sign of his increasing prosperity. What I said in this connection was this :—

"It is now being more and more recognised every day that the indebtedness of our agriculturists is not the cause but is the *effect* of the prevailing economic conditions which react upon each other. Competent observers have repeatedly remarked that the Indian agriculturist is a remarkably thrifty individual and yet he is getting more and more into the clutches of the *Mahajan*. If the

*Mahajan* is replaced by the Credit Society, he gets more and more heavily indebted to the Credit Society every year. And the reason is simple. It is because he cannot make his agriculture pay,—because his industry does not bring him enough to meet the necessities of life and the cost of cultivation. The two main factors which lie at the root of the rural economic problem in India are :—

“1stly—That agriculture as at present conducted in this country is not as remunerative as it should be.

“And 2ndly—That the agriculturist does not realise anything near the full value of his produce,—the major part of the value going to the pockets of the middleman.

“We are thus confronted with the solution of these two problems : How is our agriculture to be made more remunerative? and—How to secure for the farmer the full value of his produce?”

Mr. Wolff has objected to my deprecating the increasing indebtedness of the Indian cultivator to his co-operative society, and he says :—

“Mr. Dutt appears to feel disappointment at the fact that, notwithstanding the creation of Co-operative Banks, *raiayat* indebtedness keeps increasing. But what else are Co-operative Banks then for? ”And he is apparently of opinion that an increase of indebtedness of the cultivator to the Co-operative Society is a sign of his increasing business prosperity. Now this is a proposition to which few who know the Indian cultivator and the conditions under which he lives and works would be prepared to subscribe. In holding up a gradually decreasing load of indebtedness as the ideal I am at least in good company. The Committee on Co-operation in India was itself evidently of the same opinion when it deplored the fact “that inspite of the rapid growth of commerce and improvement in communication the economic condition of the peasants had not been prospering as it should have done, that *indebtedness instead of decreasing* (the Italics are my own) had tended to increase \* \* \* etc.” In the case of the great bulk of the Indian cultivators, the great problem admittedly is how to devise means to reduce their indebtedness. Even Mr. Wolff himself admits that this is the goal we are striving after. For he says :—

"After a time the point will be reached at which the older among your customers, having accumulated enough, will need no more credit. But we have not yet got there by a long way." That is certainly true, but the question is—Are we progressing in that direction; and if not, what is keeping us back? The answer to this is that so long we depend only on the provision of cheap credit, we shall not solve the problem of indebtedness in India. We have to go deeper down to the basic conditions under which the agricultural "business" is carried on in this country. Credit is no doubt wanted, and co-operative credit is the best of all forms of credit, and the more co-operative credit societies we have the better. There was of course a time when people had a superstition against credit. It was Louis XIV who is said to have remarked "credit supports agriculture as the cord supports the hanged". Now a days, however, we know better. We know now that for the expansion of the agricultural 'business', credit is indispensably necessary, and of all forms of credit, co-operative credit is the most wholesome. For, so far from Co-operative Credit being the hangman's noose to the agriculturist, an absence of co-operative credit either leads agriculture, so to speak, to economic starvation or it drives the agriculturist into the usurer's noose.

But what if we find that even co-operative credit is unable to reduce the farmer's load of indebtedness? As Mr. Wolff himself says:—"The crucial point in the problem is this,—that the money borrowed should be *remuneratively* invested, so as to yield a profit upon the employment." What, however, if we find that the present conditions of rural agriculture in this country do not in most cases permit the money being *remuneratively* employed, so as to bring a clear profit on it at the end of the year? You go to one of the Co-operative Credit Societies of the longest standing and ask the members: "Are you reducing your debt and making a profit upon your loan from year to year?" The answer in the great majority of cases is "No, how can we? Agriculture is not a paying business now a days, and so we have to borrow more and more every year just to make the two ends meet." It was exactly this aspect of the question that I sought to bring into prominence. To get real benefit from the Credit Societies, the agriculture itself must be made a "business"—not a losing business but a paying

business. As it is, the small agriculturist in India only too often finds that "it generally pays better to be a day-labourer than to be a farmer." In a recent report of the Baroda State it was stated as having been ascertained from the results of careful enquiry that the "average farmer's accounts show a deficit economically." This is no doubt true of a great part of British India as well.

Surely, then, merely increasing loans from Co-operative Credit Societies will not ultimately help such people in bettering their condition. The path of progress undoubtedly lies in the simultaneous application of Co-operative Credit with two other remedies, *viz* :—

- (1) Making the agriculture itself more remunerative ;  
and
- (2) Organising the farmers so as to ensure them the full value of their produce.

It is no doubt true that seasonal uncertainties of rain-fall and other accidental causes contribute to the chronic poverty and indebtedness of the agriculturist and the usury of the *mahajan* brings about his downfall. Progress will no doubt have to be made simultaneously in many directions before the final goal is attained, but to make agriculture a profitable business in this country two things are, *above all others*, necessary, *viz* :—

- (1) Giving the cultivator better agricultural education and teaching him the improved and scientific methods which have revolutionised agriculture in Europe and America ; and secondly,
- (2) Organising him for joint sale of his produce so that he may not be under the necessity of buying all the necessaries of life at a higher and higher price, while in the case of his own produce he has to sell at a loss in the cheapest market.

These are the most fundamental defects which make agriculture in India at the present day unprofitable even for the man with moderate resources who is not under the necessity of resorting to the *mahajan* for credit, and it will not be a matter of surprise that while such conditions continue, mere Co-operative Credit is unable to save the poorer agriculturists from an ever-increasing burden of debt.

To guard against the unproductive use of Co-operative Credit and to turn it into an effective means of profit, the farmers as a body will have to be taught how to make the best use of Co-operative Credit for productive purposes.

Speaking of the possibilities and the necessity for making agriculture in India much more profitable than it is now, I may here quote Mr. Wolff's own opinion in his recent book "Co-operation in India", from which I have already quoted :—"Nevertheless Agriculture, taken as a whole, has remained, and still remains, backward—backward, at any rate, in quantitative production. The sixty and hundredfold production of the parable is wanting. There are cases of exceptional productiveness. But on the whole Agriculture fails to bring forth as it might. And as is Agriculture, so, if not worse, is the lot of those who carry it on. Look where we will, there is misery and crying want of development." Again he says :—"However, as a productive force India is, in the midst of nature's rich endowment, in the midst of millions of healthy arms and skilful hands—and hungry stomachs such as might be expected to stimulate to labour and industry—in truth wretchedly poor". Here then Mr. Wolff has himself emphasized one of the chief drawbacks of the present conditions of Indian agriculture, *viz.*, its comparative unproductiveness. To make agriculture as a business paying to the cultivator and to lighten his burden of debt we shall, therefore, have to apply ourselves to helping him in realising, if not the "sixty and hundred-fold production of the parable", at least, at any rate, the four-fold and five-fold production which intensive cultivation has brought about in Europe and Japan. And, as I have already mentioned, mere increased production will not do. We shall have to organise the cultivator in combining for the sale of his produce, so that, in an age when the price of all necessities of life is constantly on the increase, the cultivator may not have to part with his produce every year to the middle man at a ruinously cheap price.

In conclusion, therefore, the watch-words of those who seek to deal with the problem of indebtedness of the agriculturist, should be not merely Co-operative Credit, but Co-operative Credit, practical Agricultural Education, Intensive Production and Business Organisation on Co-operative lines.

## THE NEED FOR AGRICULTURAL ASSOCIATIONS

---

[By MR. J. K. BISWAS, *Superintendent of Agriculture,  
Dacca Division.*]

The soil of our country is so very variable that it is difficult to apply the results of general experiment made at any particular centre without first making a proper local investigation. In Eastern Bengal most of the soil is New Alluvium, but Old Alluvium is also to be found here and there, particularly a vast tract of country in the Dacca and the Mynensingh Districts. Even in the New Alluvium quality of the soil depends to a great extent on the amount of flood water it gets during the rainy season. The country is traversed by the big rivers such as the Padma, the Brahmaputra, the Meghna and Arialkha with all their tributaries. During the monsoon, water in these rivers rises, over-flooding the banks and inundating the Bil tracts. The result is that these lands get fresh deposits of silt every year and are naturally fertilized. On the other hand the lands which are not thus naturally manured get exhausted year by year as the plant food is taken off in the crop, and they require different treatment.

It is a well-known fact that the growth of a crop depends upon the quantity and quality of plant food available in the soil. With the removal of the crop these ingredients are removed from the soil. The only recuperation in most of the Eastern Bengal districts is due to nature; but consider the vast amount of plant food removed from the soil by continued cultivation which is not returned to the land. It may be concluded that our soil is getting gradually poorer and poorer where there is no silt deposit. A natural impression prevails amongst the cultivators that the productive power of their land has much diminished. The natural recuperation of the land by the addition of silt has made the people of this Division more idle and they have very little idea of how the people in the Western Bengal exert themselves by applying manures to the soil and by irrigating their crops. The cultivators

are unaware of the value of manures or irrigation. A soil survey differentiating the various classes of soil is first essential.

The land may be classified as follows :—

I. Low land.

(1) Bhil lands which grows jute, Broadcast paddy and deep water Aus paddy, Boro paddy.

(2) Transplanted paddy land :—

(a) With comparatively deep water growing only coarse transplanted paddy.

(b) Soil with less water growing jute and middle class paddy.

(c) Soil with still less water growing fine Aman paddy.

II. High Land—Growing Rabi crops. Jute and Aus paddy.

III. Garden Land—Growing potato, tobacco, chillies, brinjals, etc.,

IV. Acid red soil :—

(a) High land.

(b) Low paddy land.

As soon as this is done we should be able to suggest what treatment should be given to each kind of land and what crops should be most profitably grown.

1. The Department has been able to discover some of the prolific varieties of Aman paddy (Indrasail), Aus (Kataktara) and Jute (Kakya Bombaie). Besides there are several others under observation. It may be that while Indrasail and the other prescribed varieties will do very well in some classes and grades of land they may not do so well in others. It is necessary to find out those lands and to see whether any other good varieties now under expert observation will suit. For this purpose regular experiments are desirable.

2. It is quite possible that a better yield of crop may be obtained by the application of manures such as cowdung, green manures, bonemeal, castor cake, mustard cake, superphosphate, nitrate and the like. This will require experiments as different soils require different treatment.

3. The only implement used by the cultivators for ploughing up their lands is the country plough. It will be advantageous to compare with light iron ploughs. Improved hoes and harrows

can most profitably be used for after cultivation and may be tested locally.

4. In certain high tracts water lifts can profitably be used to grow crops with irrigation.

5. Introduction of new crops may also be possible.

It will thus be seen that a great deal of preliminary work is necessary to improve the local crops and cultivation. It is necessary to make a thorough study of the particular tract before any improvement can be suggested. All these works can easily be done if the local people combine to arrange rural associations amongst themselves and if they take more interest than they have done in the past. The following rules have been made by the Agricultural Department for the organization of such associations—

(1) The members of the Association will be cultivators or be connected with cultivation. The President of the Panchayat, Chairman of the Union or other influential person will ordinarily organise the Association.

(2) It is intended that a responsible officer of the Agricultural Department will assist and advise the societies.

(3) The object of the Association is to improve the cultivation and crops within its circle.

(4) In order to obtain effective assistance from the Agricultural Department the Association should endeavour : —

- (a) To make a careful agricultural survey of the area represented giving areas under the different crops and classes of crops, also different classes of land ;
- (b) To examine the agricultural problems of the area as regards cultivation, manurial and seed requirements, disease and insect pests, etc.

(5) This preliminary survey will be forwarded to the Deputy Director of Agriculture through the officer of the Agricultural Department who after consulting the specialists concerned will make recommendations.

(6) The Deputy Director of Agriculture, or some other responsible officer of the Department will personally meet the Association and confer with the members regarding a programme of work suitable to their requirements.

(7) The programme of work will consist mainly of experiments for the benefit of the local cultivators. For this purpose seed, manures, implements and other appliances will be available from the officer of the Agricultural Department.

(8) The Association will be expected to apply the results of such of their experiments as have proved successful and to encourage others to follow their example.

At present the number of Associations will have to be very limited as the work will have to be done very carefully and because the staff available is limited. Only willing workers should be admitted into the Association. The works carried on by them should be done carefully. On experimental plots similar treatment will have to be given to the plots under observation. The accuracy of results of experiments will depend upon the supervision of the demonstrators and the members of the Associations. If any experiment be made in haste and without proper supervision the result will rather do more harm than good, and Demonstrators have got a special training in the Dacca Farm before they were sent to work with the societies.

Much will depend upon these men. They must mix with the cultivators, make friends with them, study their local needs and forward their requisitions to the Department.

The idea is to employ a Demonstrator eventually in each thana and to have a group of Associations round about the Head-quarters. The members will thus be able to get his help without difficulty.

It will thus be seen that the Agricultural Head-quarters will be very important centres in a thana for the general improvement of the condition of the Agricultural population.

The Dacca District Board has constructed two pucca buildings at Narsingdi and Munshiganj and the Court of Wards have built two—at Kaliganj and Joydebpur. For the accommodation of demonstrators and for keeping seeds, etc., fourteen buildings have been received from the public spirited Zaminders and merchants of Faridpur for the purpose.

It will be a good plan if the member of the rural co-operative societies will also associate themselves for making Agricultural improvement. They will find it much easier and profitable to work as they have already organisation and also they can get easily

pecuniary help from their own Societies. They can also make wholesale purchases of the seeds and manures at the cheaper rate. Similarly they can dispose of their crops and grains at a time when the price increases. It will be a very good plan if the rural Co-operative Associations will work carefully and utilise the services of the demonstrators who will be in their midst in the natural expansion of the work of Agricultural Department.

## CO-OPERATION AMONG THE MENIALS EMPLOYED IN THE CALCUTTA CORPORATION

[By MR. GIRISH CHANDRA MAZUMDER, B.A.]

---

*The People.*—They all come from provinces outside Bengal and their settlement in Calcutta seems to be of a temporary and unstable character. They are illiterate, insufficiently clothed, inappropriately and inadequately fed. They are of improvident habits and addicted to drinking which seems to me the real cause of their indebtedness.

*Housing.*—Many of them live in the barracks called *gaukhana* situated in each district of the Corporation. I have noticed too much congestion : in a room of 13 sq. ft. there are 10 men with two big ovens burning for their cooking so that the room seemed smoky and full of soots and when the corrugated iron's roof is heated by the blazing heat of the summer noon time the entire room is converted to a veritable fire-place ; all these combined with their habitual uncleanness and ignorance of sanitation make their housing anything but desirable. However, those who live in the *gaukhanas* seem to live a comparatively more regular life than those living in the bustees. But again those living in the bustees get better opportunities for social and religious enjoyments.

*Social & Religious Life* :—The men mostly belong to the castes known as “Chamars” and “Rajoars” perhaps the lowest ranks in the society. The habits and customs of these men are strongly endowed with communal and religious instincts and sympathies—the prime-movers of co-operation. Notwithstanding the most careless and disintegrating life they lead in the city they are found to have preserved and maintained here such institutions as *Panchayets* and temples for communal worship and to these they always render unfailing obedience and reverence. Among the menials there are a few Mahomedans. Social and religious festivals often serve as “bonds of union” among these two communities : during the “holi” festival of Hindus and

“Mohurrum” of the Mahomedans the members of both the communities are found to contribute money and share in the festivities. Misunderstandings that occasionally arise among them are mainly due to ignorance.

*The Creditors* :—The menials are placed under the immediate control of the officers known as Sardars. They are literate and intelligent men; they get higher pay and are of miserly habits, as such they save something from their salary. They belong to a higher caste and so respected and feared by all those placed under them. The Sardars take full advantage of their influential position both socially and officially. I was told by one that he had to borrow in order to bribe the Sardar to get him admitted into the service. These men seem to be under the impression that their service depends wholly on the sweet will of the Sardars. The Sardars invest their savings by lending it to subordinates; the usual rate of interest being -/1/- per rupee per month, i.e., 75% per annum. The Sardars possess thorough knowledge of the financial position of the menials and as such he advances only such amount as he could safely realise. One Sardar, who is in charge of 400 men living in the *goulhana* that I visited entered into his present employment some 15 years ago. He had absolutely no capital in his hand and was as poor as those men themselves. But now I am told, he is the owner of some eight thousand rupees that have been lent out among these men producing annually Rs. 6,000 as interest. If a single individual with a capital *nil* could within 15 years raise a credit transaction of eight thousand rupees among these men I hope they will provide a most prosperous field for the development of a system of co-operative credit.

The Sardar is, however, a very careful man and he lends only such amounts as he could realise without any difficulty. So, when loans are denied to these men by the Sardar, driven by pressing needs they come to the Kabulee money-lender. Besides the typical bamboo with which a Kabulee money-lender, is often identified, extreme violence and dishonesty are often used as instruments for insuring his money against all risks. They take full advantage of their illiteracy and helpless situation, and taking recourse to all sorts of dishonest means they manage to keep the men in a state

of perpetual slavery. The instances of dishonesty are mainly the following :—

(1) False account books, (2) putting false thumb impressions, (3) inserting wrong figures in the hand-notes, (4) receiving enforced signatures on miscalculated accounts or incorrect handnotes.

The usual rate of interest realised by the Kabulees is as -/2/-, -/2/6, and -/3/- per rupee per month, i.e., 140% to 150% per annum.

*Remedial Measures* :—Though the dishonest and illegal means adopted by the money-lenders are often known to the borrowers yet individually they are unable to seek remedy in a Court of Justice. The best remedy lies in uniting these men under the organisation of a co-operative society armed with sufficient credit and finance affording shelter to these poor men against unlawful money-lender.

The ground should at first be cleared of all obstacles so that the structure of co-operation could be raised on a secure and strong basis. This could be done by making some arrangements for redeeming the existing bonds of debts. An attempt should be made for examination and correct estimation of existing debts of the employees by employing a lawyer and an expert for recognising thumb impression. They will also settle the mode of repayment by giving monthly *kists* in a suitable way for payment of the existing debts. The liability of payment of these debts by *kists* might subsequently be transferred from the individual to the Co-operative Society. As we apprehend much difficulty in coming to an agreeable settlement with the Kabulees or other money-lenders the corporation should be prepared to approach the court for favourable and just settlement of debts. Besides the advantage secured to these men such an intervention of the court is expected to produce an important influence in that section of the money-market as controlled by the Kabulees and such other criminal money-lenders. This would create a feeling of insecurity among the money-lenders and tend to check an undesirable channel through which the capital is now flowing to finance the labour in order only to drain their life-blood. On the other hand, it will pave the way for successful organisation of a system of co-operative

credit which will make the workingmen's life prosperous and happy.

# I. THE SCHEME FOR THE CO-OPERATIVE CREDIT SOCIETY.

The society will be started with a limited liability and a share capital. It will be based on thrift, the ultimate foundation of all credit; and thrift implies that every member shall make monthly savings from his pay according to his means.

(i) *Shares and Subscriptions* :—The nominal value of each share will be Rs. 3. Every member must purchase one or more shares according to the amount of his salary. Thus,

|          |     |     |   |
|----------|-----|-----|---|
| Rs. 10/- | .   | ... | 1 |
| „ 20/-   | ... | ... | 2 |

If the members are found unable to pay the entire value of a share or shares at once, the value of each share might be paid by monthly shares the members will be required to pay a monthly subscription which is to be fixed after careful examination of their income and expenditure. The subscriptions might be converted into shares when amount to the value of a share.

(ii) Borrowing power shall be limited to twice the amount of the paid up share capital. Liability of the members shall be limited to three times the amount of the shares held by each.

(iii) Loan to an individual member should not exceed ordinarily, three times the salary; in exceptional cases a loan might be granted up to four times the value of his salary and in no circumstances it should exceed ten times the value of the paid up shares.

Loans should be given on personal security of a member, to be realised by monthly *kists* deducted from the pay. The member while taking loan should authorise the cashier for such deduction. The members who have taken loan from the society will not be allowed to resign his post until he discharges his debts. If any *kists* fall overdue without sufficient reason (to be determined by the committee) immediate steps should be taken for the recovery of the entire sum,

(iv) *Management and Control* :—The supreme authority will be vested in the General Meeting of the shareholders. It will form the Board of Directors consisting of 10 members, half elected by the shareholders in the general meeting and half nominated by the Chairman of the Corporation from amongst the officers interested in the welfare of the lower employees. The Secretary should be a paid officer who can devote some hours regularly every-day to the work of the Society and the Society should also have one paid auditor for auditing the accounts every month.

(v) *Distribution of Profits* :—

25% will go to the Reserve Fund.  
25% to the Bad Debt Fund.  
10% towards Education.

and the balance to be divided among the members in proportion to shares held by each.

This co-operative credit society should be one Central Society closely connected with and if possible situated in the Head Office of the corporation. The cashier who makes payment to these employees should also act as cashier of the Society. (Otherwise any smaller organisation will fail to raise a sufficient profit as to make good the inevitable loss due to many unfavourable conditions.

II. *The Scheme for a Co-operative Store Society* :—As stated previously the Society will be based on thrift and its success lies in creating a desire and ability among its members for regular saving from their monthly salary. This could be ensured by successful organisation of stores in every district *goukhana* for supplying the articles of necessities. The store will comprise all the articles of daily and occasional necessities, e.g., rice, dal, oil, salt, cloth, etc. After taking a statistics of the amount of consumption of those commodities by each man we might easily classify the men according to their consumption, as—

|  | Per month. |
|--|------------|
| A. Group comprising men consuming articles worth Rs.                                   | 8/-        |
| B.     "                 "                 "                 "                 "     " | 10/-       |
| C.     "                 "                 "                 "                 "     " | 12/-       |

According to this classification the credit society will issue Bills for the value of Rs. 8/-, 10/- and 12/- which the members

of the Stores Society will purchase and on presenting to the Stores will get provisions not exceeding the value of the ticket. If the members consume in any month less than the value of the ticket the balance could be carried over to the ticket issued for the next month; and the accumulated surplus might be spent to meet the occasional necessities, *e.g.*, purchases for social and religious ceremonies for which purpose they now generally borrow. Such a system would be a great inducement for economy and thrift to the people.

Thus, the Central Credit Society will finance the Stores by the system of issuing Bills. It might also help the Stores in securing commodities at wholesale rates by making joint purchase for all the Stores. This is a suggestion of a general scheme in which Stores could be organised; the detail rules could be framed afterwards.

*Preventive Measures* :—(i) The corporation should discourage the practice of borrowing money at an unusual rate of interest by adopting such means as possible within its power.

(ii) For discouraging or preventing altogether the practice of money-lending indulged by the Sardars the Corporation should impose heavy penalty on those who would lend money to any employees at an unusual rate of interest.

(iii) The present system of housing might be deemed sufficient to meet the physical needs of men but it is wholly wanting in satisfying their social and ethical needs. The want of innocent and virtuous enjoyment as provided in villages has, no doubt, encouraged them to recourse to the pleasures and recreations derived from drinking and such other indulgence. Each *goukhana* should contain a temple for communal worship and communal enjoyments of social and religious festivals; arrangements should also be made for providing musical entertainments as *Jatras*, *Kathas*, etc. If through these means the people could abstain from drinking everyone could save at least Rs. 3 every month.

(iv) The employees should be freed from the control of the Sardars and should be brought into touch with the higher officials who might look to the welfare of those men rather than indulge in practices for selfish gain at the cost of the poor employees.

(v) Night classes should be held to spread literacy among the men. Illiteracy is a potent cause for their weakness and subjection to money-lenders.

In conclusion I beg to lay my humble appeal to the authorities of the Corporation. These criminal money-lenders hold firm sway over the entire working class in Calcutta and in the suburbs. They are carrying on their unchattered banking business in a much more lucrative and efficient way than money-chattered banks in the city. It requires no small effort to replace these powerful agencies by co-operative societies; and in absence of the State intervention the Corporation seems to be the next best authority which working in co-operation with the co-operative department and other public charitable institutions might succeed in eliminating the evil forces altogether from the money-market and thereby uniting the workingmen into powerful, self-contained and self-sufficient groups of Co-operative Societies. Therefore, the Corporation, in its noble endeavour for ameliorating the condition of its employees should take a broad and generous view of the entire situation. Much depends on the solution of the housing problem and none is in a better position to undertake the task of housing the labour than the corporation.

## HIGH PRICES AND THE CO-OPERATIVE STORES MOVEMENT

---

Never was the rapaciousness of Capitalism so marked, never was its sting so keenly felt as it is today after the conclusion of the great world-war. In this war man-power and money were essential. But man joined it with a feeling of "righting wrongs". Not so money which was brought in with a great deal of coddling and coaxing. This has naturally created in money or capital a feeling of importance out of all proportion in the natural economy of human society. Capital has assumed an aggressive aspect today as it never ventured to do before. The incessant struggle between capital and labour is more marked today than was ever before. Turn to the pages of any newspaper in any country and your eyes cannot fail to catch a report of a strike or a lockout and the untold miseries which follow it. We constantly read about huge profiteering by unscrupulous capitalists to the utter misery and ruin of the poor man. But when the curse of capitalism trenches upon the poorman's bread and salt it becomes utterly intolerable and it becomes necessary to the poor man to adopt means to save his life against the unquenchable thirst of capitalism. The *Mohajan* cannot be allowed like the octopus to devour his poor victim's flesh and bones. \*

In India today prices of the bare necessities of life are rising by leaps and bounds quite beyond the means of the poor. What right has the Bania or the *Mohajan* to fatten at our expense is the question daily asked by the poor labourer or the sweating *Raiyat*. If money has given them this privilege we "men" ought not to be less privileged than the capitalists "money". The poor and the helpless have therefore, been naturally thinking about the best means of fighting capitalism, and, naturally Co-operation—the only weapon in the hand of the people of these classes—has been receiving from them the attention it never did before.

In this sense, we are of opinion that the high prices of the necessities of life are rather blessings in disguise. These have put the Co-operative stores movement—the aspect of Co-operation best developed in the British isles and which has there conferred innumerable blessings upon the poor—to the forefront in India. Here Co-operative stores are being

organised now-a-days in large numbers and we are getting almost daily newspaper reports of the establishment of a Co-operative store in some place or other. It behoves us therefore to consider this aspect of Co-operation as a weapon to fight against high prices.

Before considering the subject we think it advisable to offer a few words of caution to the organisers who by a feeling of sheer necessity are compelled to use the weapons of Co-operation to fight against these poignant morbid forces of capitalism. Do not suffer your judgments to be warped by a mere exuberance of feeling or emotion, but constantly keep your eye on the business aspect of the movement. Think calmly of what is practicable and pay the greatest amount of attention to the business aspect of the institution. See that your institution, heralded today by beat of trumpet as a threat to capitalism, may not itself be the butt of laughter and scorn by capitalists to-morrow when, by your unbusiness-like methods you bring upon it an early death. Remember that business is business—be it Co-operative or non-Co-operative and that the business aspect of the institution must always be kept in the forefront. Remember also, that when the exciting cause ceases to exist, all institutions which are the outcome of a strong feeling naturally cease to receive the amount of attention which emotion and sentiment had brought to bear upon it. Have we not witnessed with a feeling of extreme regret the collapse of scores of such institutions ushered into existence with impatient haste during the late Swadeshi movement. Excitement? Let us not therefore fall into similar mistakes to the discredit of a movement which is the only salvation to the poor and the helpless. Every failure acts as a setback to future progress.

In this matter Bengal has now got a number of stores sufficient for the establishment of a reliable Central Co-operative agency in Calcutta—somewhat after the model of the “Co-operative wholesale society” of Great Britain—the federated Central institution of all the stores in the mufassil district and sub-divisional towns—which is to be the supplying medium to the latter. Later on as the movement spreads on to the mufassil villages, in the district or the sub-division may be constituted the district central stores somewhat after the model of the credit Central Banks—but quite distinct and separate from them. The greatest practical difficulty has been in the matter of obtaining supplies from a reliable source. The chance of fraud and loss is so great that we must think of establishing such a central institution in Calcutta almost simultaneously with the mufassil stores which are now fast increasing. In this branch of Co-operation we think that leaders of

Co-operation like Mr. H. W. Wolff will perhaps agree that unlike in the case of our credit institutions, we have not here at least started at the wrong end.

There is nothing wrong in the principles under which a Co-operative store works. It has worked wonders in Europe. In England alone, over three thousands stores are working for the last seventy years enabling their members to avoid high prices, short weights, and adulterations—faults rather common in the capitalist system of similar business, but inconceivable in a Co-operative business. These stores have moreover taught their members the right principles of business, and the method of running an institution on purely democratic lines. We learn the principles of self-government on democratic lines in a practical manner and much more easily in our efforts in managing Co-operative institutions. Never was the Indian *Rayat* and labourer in greater need for such an institution than today when his country is on the road to responsible self-government; Co-operation is the only beacon-light on India's onward march on the road to progress and the only school where the poor illiterate millions will learn by practice the civic duties which they will ere long be called upon to fulfil.

In addition to the above indirect results, by the successful running of these co-operative stores the poor and the helpless will be using the only effective weapon to fight the capitalists and will be able to stand the strain of high prices of the common necessities of life.

There will most likely be dangers and difficulties ahead, for it is not likely that capitalists will meet your bold stand lying down. It is said, that when a Tantric worshipper strives to worship at midnight in the solitary cremation-ground—the goddess sends innumerable demons and evil spirits to scare the earnest devotee away, and that when and only when the earnestness of the devotee can stand this ordeal, he attains his object. Similarly the of the devotee can stand this ordeal, he attains his object. Similarly the goddess of success will send you the demons of the innumerable shop-keepers and dealers to scare the Co-operator away by competing with him by lowering their prices. In this ordeal "loyalty" to Co-operation is the only motive-power which will enable you to pass the ordeal and will help you to attain salvation through the path of Co-operation. In the long run truth and right principles are bound to triumph. My advice to all Co-operators therefore is, like that given by Polonius "To thine ownself be true" and the rest are bound to come. What matters it that you pay even a few annas more in prices to your own shop which is bound to return to you in the shape of rebates on your purchases. Try above all to avoid capitalism in your own

concern—give no advantage to capital beyond its legitimate interest, make it a thoroughly democratic institution, keep an Argus eye on every small detail of your business and your success is an assured fact.

TARAKNATH MAITRA,

*Deputy Chairman.*

Pabna Central Co-operative Bank Ltd.

## CONTROL OF VILLAGE SOCIETIES BY CENTRAL BANKS

---

Every practical Co-operator in India will be bound to confess that the standard of efficiency in many of the Co-operative Societies is unfortunately not what it ought to be. Gratifying as the result has been in many respects much more still remain to be done. We must never rest contented until we have succeeded in putting real life in our societies. Life there is, but vigorous manhood is the thing wanted. In one of the beautiful aphoristic verses of the sage Chanakya we read— "The son should be nurtured for 5 years, then kept under strict control for the next 10 years and from the 16th year the boy is to be treated like a friend" tutelage of a boy, therefore, should cease on the attainment of his 16th year.

The poor simple-hearted people of a certain caste of the Hindu Community are said to remain minors (*doli incapax*) up to their sixtieth year, and though, I myself personally do not know much of the rich people in this country, I am told that the fashion with some of them is that they do not consider it consistent with their family dignity to allow their children to walk on foot or to eat with their own hands lest these operations would cost their future heirs these causes of avoidable exertion. When they grow older, as an expedient to save them the trouble of spending their energies a manager is appointed to look to their properties lest a constant call on their brain faculties will diminish the amount of intelligence stocked there.

Now after a great deal of thinking I have not yet been able to ascertain to which of these three classes our primary societies belong. Not certainly to the first— as from the date of the passing of the first Co-operative Credit Societies Act, the period is almost going to pass. Probably not also to the second,—as I presume very few of our society members come from that caste. I am rather of opinion that our Indian Co-operative Societies are destined to belong to the third class. And why not, for are not our societies splendidly aristocratic? Have they not got their helpers in their walking exploits and in the management of their affairs the Indian Central Banks, institution created to keep them in perpetual tutelage? As yet there is no sign of the guardians' relaxing an inch of their control over their wards. If this sort of unrelaxed tutelage go on, we are sure to get in our primary societies so many

noodles—Gobar Goneshes—as we call in Bengali. Our primary societies are like so many spoiled children. They get more sweets and buns from their guardians for the mere asking, much more than they can digest and the result is dyspepsia, atrophy and death. Their legs are gradually becoming numbed and crippled for want of the exercise of walking. There is a Bengali saying that no body would care to toil for his subsistence if (as there is the Indian custom) people could secure their daily quantity of rice by begging in the name of Hari. This has really been the unfortunate case of our village societies. They are the real units of the Co-operative movement, and for the ever-ready compliance of their real or supposed wants by their guardians—grand-mothers—the Central Banks, they are not getting the gradual strength with the increase of their years. They are getting too old in years for spoon-feeding. If the grand-mother would not teach her ward to take his life-giving exercise in self-reliance, then I am afraid she may, like the unfortunate fond aunt (Mashi) in the Bengali Primar who helped her ward to become a spoiled-child get her ear bitten off by the unfortunate fondling at the time of meeting his death on the gallows (fauzhi) on the pretext of having a last parting whisper together as a revenge for spoiling him. Can she not release from her control her two intelligent grand-sons christened A and B and considerably relax it over the three remaining children when they reach sufficient age? It is surely time for grand-mama to think of this seriously or else her ears are sure to be bitten off by her own fondlings. Beware grand-mama, spare the child and hang the d-d rod.

It is for this reason that I am deliberately of opinion that our Central Banks, started with the best of intentions, are indirectly doing harm to the societies in this respect. How many of them are confined to their real work, that of merely balancing capital between the different village societies? Instead of that they are dictating them to follow this or that rule of conduct, realising through the supervisors the dues of the Central Banks. I fear this last will always have to be the case until the guardian grand-mothers leave their helpless wards to take their constitutional walks, and to earn their livelihood by the sweat of their brow. *Beneficium accipere libertatem est vendere*—should be the motto of our primary societies too—unless benefits are received mutually and in truly Co-operative spirit, and with a clear understanding of the position. Then and then only will the unfortunate wards be in a position to realise that they possess a soul and life of their own—and that they too have got to earn their livelihood by the sweat of their brow, then and then only will the unfortunate wards be able to realise their

own Ego—the *summum bonum* of the existence of all beings as the Vedantists would say—and then and then only will the young aristocrat be in a position to take up the management of his own properties if he has a realisation of the pains he had had to undergo to acquire his properties. This is not merely the opinion of a humble Indian Co-operator like the present writer but it is supported by no less an authority than Mr. Wolff himself.

If our village societies were left to depend on themselves alone for their finance, then they would have to go about the locality *netting* the village around for small deposits—the savings of the poor and impressing upon the members the sheer necessity of saving and thrift as the only means of avoiding the trouble of going about for meeting their own demands for loan and helping the creation of the real Peoples' Banks for which Sir Daniel Hamilton pleaded so earnestly and ably at the last year's Conference of the Bengal Co-operators.

In this view of the matter, the Central Banks would be mere balancing centres for the different village societies, watching their work, and like a well-wisher and a friend, to offer advice to them as to the best means of carrying on their work. They would also be centres from which all Co-operative thoughts and ideas would radiate to the remotest village of the district—never imposing on the village societies their mandates but always freely advising them as to the best course to be followed. They could with great advantage direct their attention to the preaching of the doctrines of Co-operation, not merely through the present staff of supervisors but through a regular agency of preachers or if that is found impracticable or too expensive, then through an agency in whom both the above functions may be combined. This is the only method of putting life and vigour into our societies, some of which for want of proper treatment on proper lines are yet far removed from the ultimate goal. In future financings the Central Banks can ask the village societies as much as possible to look to their own resources.

*Entre nous.*

## CO-OPERATION IN BENGAL

---

The Registrar of Co-operative Societies, Bengal, has received the following communication from the Private Secretary to H. E. the Governor—

*"His Excellency is gratified at the response made by the various Co-operative Societies mentioned by you to his appeal for Funds on behalf of the sufferers in the recent cyclone."*

---

### 1. Progress of the Bankura Weaving Societies.

The organisation of these societies, which now number 41, began in March 1918 when it was hoped to execute orders for the Munitions Board, a hope which was not realized. For the first three months statistics are not obtainable, but very little work was done. By March 1919 only 14 societies had been registered, the rest being recent formations. At no time have all the societies and their members been working whole time for the Union, as several members and societies sell their cloth independently. In view of these facts the steady rise in the monthly wages bills paid by the Union, except between October 1918 and February 1919, is something on which the Union may be congratulated. The cause of the fall between October 1918 and February 1919, was the collapse in the price of cloth after the Pujas of 1918, which made it impossible for the Union to make and sell cloth at a profit. The large and steady increase from March 1919 to September 1919, is specially a ground for congratulation.

Wages paid by the Bankura Industrial Co-operative Union, Limited, to members of the affiliated weaving societies :

|      |           |     |     |     | Rs. | A. | P. |
|------|-----------|-----|-----|-----|-----|----|----|
| 1918 | July      | ... | ... | ... | 196 | 4  | 0  |
|      | August    | ... | ... | ... | 465 | 15 | 6  |
|      | September | ... | ... | ... | 499 | 6  | 3  |
|      | October   | ... | ... | ... | 380 | 6  | 0  |

|      |           |     |     | Rs    | A. | P. |
|------|-----------|-----|-----|-------|----|----|
|      | November  | ... | ... | 435   | 8  | 9  |
|      | December  | ... | ... | 423   | 2  | 6  |
| 1919 | January   | ... | ... | 48    | 10 | 9  |
|      | February  | ... | ... | 308   | 1  | 3  |
|      | March     | ... | ... | 859   | 7  | 3  |
|      | April     | ... | ... | 895   | 5  | 0  |
|      | May       | ... | ... | 1,236 | 9  | 0  |
|      | June      | ... | ... | 2,013 | 14 | 0  |
|      | July      | ... | ... | 2,379 | 0  | 6  |
|      | August    | ... | ... | 2,630 | 13 | 3  |
|      | September | ... | ... | 3,367 | 11 | 3  |

The number of members in all the societies rose from 221 in July 1918 to 530 in June 1919. The number was 543 in September 1919 and it therefore appears that each member was paid between Rs. 6 and Rs. 7 per month in September, and as few members worked for the full month (this being always the case) and several worked entirely independently, it is clear that the Union is giving good wages to the members of its societies.

In addition to paying wages to its members the Union credited a certain amount to each member as share capital in his own society. The total amount credited in this way was Rs. 1,026-14-9 on the 30th September.

We wish the Union a continuance of this increasing prosperity and we hope that it will become firmly rooted in Bankura where its operations will be a great boon to the large weaving population generally, for, of course, the good terms offered by the Union to its societies' members have resulted in improved terms for weavers generally in the neighbourhood.

## 2. The Rampurhat Central Bank.

The Ninth Annual Meeting of the Shareholders of the Rampurhat Central Bank was held in the premises of the Bank on the 24th September last. Mr. J. M. Chatterji, the Sub-Divisional Officer and Chairman of the Central Bank, presided. Mr. T. C. Roy, Joint Registrar of Co-operative Societies, attended the meeting.

There was a good attendance. The report which gave an interesting account of the work during the past year was read by Moulavi Madeswar Hossain, Secretary of the Board of Directors of the Bank. 190 Societies are affiliated to the Bank. The total working capital during the year was 2,15,529. Deposits amounted to Rs. 62,350, including local deposits of Rs. 35,729, against 51,904-6 in the preceding year of which only 16,936 came from local depositors. The Bank has been making steady progress and extending its sphere of usefulness. The increase in the amount of local deposits shows the confidence placed in it by the public.

A novel feature of the meeting was a general discussion by the members on various subjects connected with the working of Co-operative Credit Societies, their practical difficulties and their remedies and possible methods of improving agriculture through such societies. Some useful suggestions were made by the members.

The Chairman in summing up the discussion referred to all the subjects mentioned and laid stress on the necessity of advancing gradually from Co-operative Credit to Co-operative distribution and production and utilising the credit obtained by co-operation in the reproduction of wealth. He mentioned the Sale and Supply Society recently started at Rampurhat as the first step in this direction and hoped that the work of the Society would teach the producers how to secure the profits which now go to the middlemen. The members were asked to assist in setting up an industrial museum in connection with the Central Bank which will exhibit the best products of many small industries within the area of the Bank which are not now known to all and which are languishing for want of organization and support. He referred to the importance of irrigation in a district like Birbhum, suggested the organization of irrigation Societies and sketched rough outline of a scheme for fusion of Branch Agricultural Associations with Co-operative Credit Societies. The main idea is to afford facilities to Co-operators for making a proper use of credit by the use of improved implements, good seeds and manures and by practical application of information furnished by the Agricultural Department about cultivation of new crops on waste lands. The essential part of the scheme is to group Societies under Unions which will

not only finance the Societies with the help of the Central Bank and supervise their work but run seed and manure and implement stores and provide the agriculturalist with all he requires for his industry. In course of time the Unions may undertake joint sale of agricultural produce and manage Co-operative stores and supply its members with their everyday necessities of life.

### 8. Jessore Central Co-operative Bank Ltd.

The annual general meeting of the Jessore Central Co-operative Bank Ltd. was held on Sunday, the 31st August last, at the local Town Hall. The representatives of the Co-operative Societies and share-holders of the Bank attended the meeting in large numbers and took a keen interest in the proceedings. Mr. Mahmud, the Joint Registrar in charge of Industrial Societies, attended the meeting and with his usual ardour and genuine desire for advancing the interests of the weavers and artizans helped in the formation of an industrial sub-committee consisting of some Directors of the Bank. This is surely a move in the right direction, as it is expected that the labours of the sub-committee may considerably help in the regeneration of the almost forgotten artizan classes of this district. The weavers, Hindu and Mahomedan, can produce the best cloths but the difficulties in their ways are many. These difficulties it will be the duty of the sub-committee to remove.

At the annual meeting of the Co-operative Central Bank of Jessore, Rai Bahadur Jadunath Mozoomder who presided, in the course of a speech, said : It is only six years since the Central Bank was established and within this short time it was 118 affiliated societies, with 2,515 members, to whom nearly 2 lakhs of rupees have been advanced, and of which nearly 10,000 rupees were advanced last year. That the bank has already secured the confidence of the public is clear from the fact that your deposits amount to more than a lakh of rupees. If the Bank has not been able to do anything else, it has at least succeeded in bringing down the rate of interest in more than 100 villages where co-operative societies have been established. It has proved a veritable blessing to the cultivators of those localities, who are no longer at the mercy of moneylenders, some of whom as is well-known, charge much higher

rates of interest, the bank charge being only 11 per cent. per annum. Deducting all expenses, the bank has still been able to declare a dividend of 8 per cent., keeping about Rs. 1,000 for the reserve fund, Rs. 700 for the building fund, and Rs. 400 for the bad debt fund. The total net profit of the year amounts to Rs. 4,000. It is a matter of regret that some six societies four of which are rather close to the town, should go into liquidation. Such failures are unavoidable. It is also not very pleasing to note that Rs. 65,000 is still overdue from societies. He commended the example of the societies which had published their obligations with punctuality. Referring to a weaving society, he said that, instead of advancing cash he would request the bank to advance yarns to the weaving societies and take back dhoties and saris woven by them equal in weight to that of the yarns supplied, and give to them the cost of production including their wages which should be fixed per pair of dhoties and saris according to the quality of the yarn. A sub-committee should be formed for the purpose. After referring to the various branches of service which may be rendered by co-operation, he said : The Government are doing their best to promote co-operative societies. Our present Governor, Lord Ronaldshay, like his predecessor, Lord Curzon, is sincerely anxious to promote the welfare of Bengal. Many of you may have heard of the interest he takes in the co-operative societies and the union committees and it will gladden his heart to learn that the co-operative societies of Jessore are trying their best to improve the health and wealth of the villages in this district, whose population is about 17½ lakhs.

#### **4. Chandpur Central Co-operative Bank.**

The general meeting of the shareholders of the Chandpur Central Co-operative Bank Ltd., was held on the 14th September last, in the Sub-Divisional Officer's Court building. There was a good attendance of the shareholders. Babu Abani Chandra Chatterjee, Sub-Divisional Officer and Ex-officio Chairman of the Bank, presided. A lively discussion took place over declaring dividend as there was a proposal of setting apart a certain sum for the construction of a building and securing a suitable plot of land

for locating the office of the Bank as its business has considerably increased. The total profit of the Bank for the year ending June 1919, amounted to Rs. 4,450-4-6 including Rs. 4-12-11 pies, brought forward from the last year, against Rs. 3,472-4-4 of the previous year. Out of this profit Rs. 1,200 were allotted to the Reserve Fund, and Rs. 100 to the Bad-debt Recovery Fund, and with Rs. 100 was opened a fund called "Education Fund" to promote education among co-operative societies. Of the balance sum of Rs. 3,050-4-6 Rs. 1,515 was, it is understood, in accordance with the proposal of a majority of the shareholders to be set apart for the building fund. Dividend was declared at the rate of  $6\frac{1}{4}$  per cent. The working capital of the Bank on the 30th June 1919 was Rs. 2,07,796-8-4 pies as against Rs. 1,29,670 of the previous year. The total number of societies in the year ending June 1919 was 100.

#### **5. The Bangabasi College Co-operative Store.**

The general meeting of the Bangabasi College Co-operative Stores, Ltd., was held on the 20th inst., at 28, Scott Lane, Calcutta. There was a good attendance of the shareholders, comprising students and professors of the College. Principal G. C. Bose, as Chairman of the Stores, took the chair. The Stores made a profit of Rs. 439 during the short period of seven months which constituted the working period. It allowed the maximum dividend and maximum bonus to the shareholders as laid down in the by-laws. The report, amongst other matters, stated :—

The present year has opened with the adverse conditions of extraordinary high prices for almost all the articles with which the Stores ordinarily deals, but it is hoped that the efficient and economical management of the resources of the Stores by the voluntary band of working members of last year, which has brought such signal success to the Stores in the very year of its inception, will continue in the current year and make it equally successful if not more so. The pivotal idea of the institution, apart from its direct business side, is to disseminate amongst the members the principles of co-operation and their practical application in the industrial development of the country, which, with its illimitable material resources, is awaiting co-operative exploitation in the hands of the people. The members of the institution, instructed and inspired by the experiment which they are con-

ducting in the College, will on their return to their village-homes be the centres of propagation of these principles and their practice, which will attract the whole neighbourhood magnetised into co-operative activity.

The Chairman, in the course of an address, urged all the students to take an active interest in the Store so that it might be a training-ground for a future industrial career which they would do well to choose.

#### **6. • A Co-operative Store at Pabna.**

Owing to the high prices prevailing here two large and well-attended public meetings were held yesterday afternoon under the presidency of Rai S. C. Sen Bahadur, District Magistrate, Pabna. In the first meeting it was unanimously resolved to establish a co-operative store with a capital of Rs. 25,000 divided into 2,500 shares of Rs. 10 each. A board of directors, with the District Magistrate as president, has been formed. The object of the store is to supply rice and other necessities of life at a moderate price to the shareholders. At the second meeting it was unanimously resolved that the District Magistrate be approached to request the local rice merchants to lower the price of rice and sell at a reasonable profit, and that arrangements be made for the import of large quantities of Burma rice.

#### **7. A Co-operative Store at Bagerhat.**

A Co-operative store has been established at Bagerhat, with a nominal capital of Rs. 1,00,000, divided into 10,000 shares of Rs. 10 each, its object being to supply rice and other necessities of life to the people at a moderate price. The store is, at present, dealing only in rice, which is sold at a price much below the prevailing market rate. The S. D. O., personally supervises its work almost every day, and is doing his level best to afford relief to the poor.

#### **8. The Khulna District Co-operative Conference.**

The first District Co-operative Conference was held in Khulna on 14th of September last. It was organised under the auspices of B. C. O. Society and the Khulna Co-operative Central Bank. Representatives of the Central Banks

in Bagerhat and Raruli as also of the rural Banks affiliated to them attended the Conference. Besides representatives of the rural Banks under the Khulna Central Bank most of the leading people of the town were present. Mr. J. Vas, Collector of Bankura, formerly Collector of this District, Messrs. B. Chakerverty and C. R. Dass, Rai Bahadur Indu Bhushan Bhaduri of Nadia, Rai Bhadur Jadu Nath Mozumdar of Jessore, Babu T. C. Roy, Joint-Registrar of Co-operative Societies, Babu N. C. Bose, Personal Assistant to the Registrar of Co-operative Societies, graced the Conference with their presence. The spacious Coronation Hall where the Conference was held was filled to overflowing and many had to stand outside. At a moderate computation, over 2,000 people were present including the visitors. The proceedings were mostly conducted in Bengali and the stirring appeals of the speakers specially those of Messrs. Dass and Chakervarty calling on the audience to join the Co-operative Movement wholeheartedly as the only means of salvation of the indebted peasants made many converts to its cause and imported enthusiasm to the silent and sincere workers in the remote villages. The Conference sat for about 5 hours from 1 p.m. It was arranged that Mr. M. Thorpe I.C.S., District Magistrate would preside. As he was unavoidably detained in Camp, Babu N. G. Chaki, Deputy Magistrate and Secretary of the Conference Committee moved that Mr. Vas would take the Chair and preside over the deliberations. It was seconded and carried unanimously. The proceedings of the Conference then commenced with a song illustrating the main points of co-operation sung by 2 boys of Naihati. Mr. Vas in opening the Conference expressed the regret which was felt by all at the unavoidable absence of the Collector of Khulna, Mr. Thorpe. He attached the greatest importance to the Co-operative Movement and stated that the Bankura Industrial Co-operative Union had been instrumental in reviving the cloth industry in Bankura and in helping the weavers to tide over the present year of short crops and high prices. While Co-operative Credit Societies were very beneficial and indeed very necessary in order to provide cheap capital to the cultivators and artisans, they had not uptill now, he thought, done much to promote thrift as an object of endeavour in itself. He thought that co-operative granaries or "Dharmagolas" would go a great way to encourage people to lay by their surplus produce and they would undoubtedly be of great use in times of distress or famine. He instanced the case of a society of this nature (Ban Asuria) in his district which beginning with less than 50 members had in 13 years accumulated a stock of over 540

maunds. These societies possessed also the advantage of extreme simplicity in organisation and in operation.

The President then called upon the Secretary of the Khulna Central Co-operative Bank to read his report. The Secretary Babu Jatiendra Nath Ghosh read out his report in which he gave a short history of the progress of the Co-operative Movement in the District, and a brief outline of its possibilities. He emphasized the necessity of organizing in suitable centres throughout the District Co-operative Stores and Agricultural Associations on the lines of Mr. G. S. Dutt's scheme combined with the elements of supply and sale society.

Rai Bahadur Indu Bhusan Bhaduri then addressed the meeting on behalf of the B. C. O. Society. He briefly pointed out the good points of the movement and its abuses. Dr. S. I. Sarkar, Civil Surgeon, Khulna, then read a paper on the co-operative movement in relation to the methods of improvement of public health.

Rai Jadu Nath Mozumdar Bahadur then addressed the meeting at great length. He explained in his own way what co-operation was and compared it to the "Barwari" system. His homely illustrations were much appreciated by the audience. Mr. T. C. Roy, Joint Registrar, then delivered a neat little speech in which he urged the people to cultivate the spirit of Co-operation and explained to the audience its underlying principles and the essential moral force behind the movement. Mr. B. Chakerverty, Bar-at-Law, next rose amidst cheers and lucidly explained to the members the advantages of Co-operation in this debt-ridden country. He called on the educated people to assist their rural brethren and impressed on them that it was their bounden-duty to join the movement in order to uplift their status. Mr. J. K. Ghosh, Inspector of Industrial Societies, pleaded for more energy and activity in the direction of formation of weaving and other industrial societies. He enlightened the Conference about the difficulties he had to experience in the course of his official career. Mr. C. R. Das, Bar-at-Law, next exhorted all to cultivate the spirit of unity and to uplift the masses who were really the people of the country. He emphasized that he would throw his lot with his cultivator-brethren rather than with the so-called Bhadra-lol class who were no better than interlopers. Mr. Hemadri Gupta then addressed the meeting on behalf of the agricultural department and explained the needs for agricultural improvement. Babu Atul Bihari Mullick, M.A., B.L., pointed out the difficulties in the way of the progress of the Co-operative movement. He pleaded for the

removal of the appalling ignorance of the Bengal cultivators and for more sympathy on the part of the official workers. He vehemently criticized the caste system and the unsympathetic treatment of the rural population by the Zamindars and *Mahajans*. Maulvi W. Islam read a paper on "the need for private effort in agriculture." Munsif Khayratulla, an old cultivator and Chairman of a village Co-operative Society, blessed the Co-operative movement for saving the *ryots* from untold miseries owing to the unsympathetic attitude of the Zamindars and *Mahajans* as also, to the want of their training in joint-work. Rai A. L. Raha Bahadur then read a paper written by Prof P. Mukherjee, Secretary, B. C. O. Society, urging the Co-operators of Khulna to start a Branch of the B. C. O. Society at Khulna.

The following resolutions are then adopted : —

- (1) That steps be taken to organize co-operative agricultural associations on the lines of Mr. G. S. Dutt's scheme in combination with the elements of distributive societies, if possible, under Co-operative Societies Act.
- (2) That vigorous steps be taken by the Central Bank to organize co-operative stores in suitable centres throughout the district.
- (3) That it is desirable that a system of payment by cheques be introduced in order to facilitate payment by one Central Bank through another in different parts of the Province.
- (4) That to combat cattle disease, an active propaganda be carried on among the agriculturists and that the Registrar be requested to lend the services of his officers for the purpose.
- (5) That necessary and vigorous steps be taken to combat malaria in the district.
- (6) That a committee of the following gentlemen be appointed to consider the proposal of B. C. O. S. to open a branch here—

Dr S. L. Sarkar, Civil Surgeon, *Secretary*.

Rabu N. G. Chaki.

Secretaries of 3 Central Banks.

Rai A. L. Raha Bahadur.

The Sub-divisional Officers.

Maulvi Fazlur Rahman, C.I., and the mover (¶)

Datta Choudhuri).

There were lively discussions on many of the resolutions. P. Leo Faulkner, S.P., the Civil Surgeon, Rev. Mr. Miller took part.

The following medals and rewards were then awarded to the Secretaries —

### THREE B. C. O. SOCIETY SILVER MEDALS.

1. Babu Bhabanath Smritiratna, Secretary of the only 'A' Class Society in Khulna area. He not only looks after his own Society but looks after the affairs of the Societies of his group at a considerable self-sacrifice and was instrumental in the organization of several societies.

2. Babu Bhupendra Nath Chakerverty, Secretary of the best Society in Raruli, Honorary Supervisor of the Raruli C. B. who looks after the Societies at a considerable self-sacrifice

3. Babu Bhagirath Sen, Chairman of the best Society in Bagerhat area. Through his energy and influence his society has become self-supporting from the very beginning.

### CENTRAL BANK REWARDS :

1. Rs. 20 to the aforesaid Bhabanath Smritiratna.

2. Rs. 15 to Hari Mohan Roy Mandal for propaganda and organization and inspection work.

3. Rs. 15 to Munsif Mahbbat Ali Khan for similar activities.

In summing up the proceedings of the Conference the President Mr. Vass stated that the great advantage of such Conferences was the light thrown on the subject-matter of discussion from different points of view. On the present occasion they had before them the views of officers of the Department, of specialists in sanitation like the Civil Surgeon; of Zamindars like Rai A. L. Raha Bahadur, of patriots like Mr. B. Chakervarty who had illustrated by his own example the dignity of labour, of economists like Mr. C. R. Dass who considered the village community the ideal Co-operative Society. The Missionary standpoint was represented by Rev. Mr. Miller and Mr. P. L. Faulkner had made very pertinent observations on veterinary matters. There could be no doubt that the holding of such Conferences stimulates enthusiasm

and broadens one's outlook. He drew particular attention to Mr. Chakervarty's and for Man-Power in the Co-operative movement. This was the key to success and it was Man-Power represented by two or three earnest and hard working workers which had made the Bankura Industrial Union an immediate success.

One of the speakers had said that a Co-operative Society was the 'Barwari' in western garb. This was not in his opinion correct,

We recognize that the Co-operative movement is founded on a spirit of mutual trust and unselfishness, for the purpose of helping the weaker, and one of its main objects is the moral and connection with the members, co-operation represents something

much more than the advantages of combination which is all that can be claimed for Barwari.

In conclusion he thanked the organisers of the Conference for the trouble they had taken and congratulated them on its success.

A vote of thanks proposed by Rai A. L. Raha Bahadur was lustily responded to.

The meeting separated at about 5-30 p.m. Light refreshments were then served to the members and visitors.

## NEW LINES OF CO-OPERATIVE ADVANCE IN BENGAL

---

I. Report of a Committee (consisting of Professors Satis Chandra Ray, P. Mukherji, and Bhujanga Bhusan Mukherji), appointed by the Calcutta University to consider and report on the question of establishing a "University Co-operative Stores". (September, 1919).

The Committee elected Professor S. C. Ray to be its Chairman and Babu Bhujanga Bhusan Mukherji to be its Secretary.

The Committee held 8 meetings of which 2 were held at the Office of the Bengal Co-operative Organisation Society at Dacre's Lane and 6 were held at the University Buildings.

On the 15th July last the Committee inspected the Bangabasi College Co-operative Stores.

We have thought it advisable to outline the general features of a scheme. If these are approved and if it is decided to start such a society on the lines indicated by us, it will be necessary to frame bye-laws of the Society. The model bye-laws framed by the Co-operative Department may serve as a guide. A copy of the bye-laws of the Bangabasi College is also appended.

The questions referred to the Committee divide themselves into two parts, viz :—

- (1) the establishment of independent Co-operative Stores at the different Colleges in Calcutta affiliated to the University ; and,
- (2) the establishment of a Central University Stores federating and co-ordinating all the branch College Stores. The work of the Central Stores, it is understood, will be very largely confined to the work of buying wholesale in order to supply the Branch Stores.

We deal with each of these two points separately.

### PART I.

#### *Branch Co-operative Stores.*

We recommend that real and earnest efforts should be made at once for the purpose of encouraging the establishment of Co-operative Stores in connection with each of the affiliated colleges of the Calcutta University

situated in Calcutta. Indeed, as we shall show later on, without such basal individual Stores, it would not be possible to build up "a Central University Co-operative Stores" as was suggested at the meeting held on the 3rd July last. And the more such stores are started in connection with the different Colleges, including Colleges of all types, the more will they give the students the best initial and preparatory training necessary for the purpose of managing and controlling the "Central Stores" when it is established. These Co-operative Stores are, at the present time in India, being started very largely as experiments, which, if successful, will go very far in solving some of the acutest economic problems of the country. We are therefore very anxious that nothing should be done to rush students into it without sufficient experience and a genuine spirit of co-operation, and it would be much better to proceed slowly and cautiously, so that we may be quite sure of our ground before we undertake "a Central University Stores."

The idea of Co-operative Stores, it must be frankly admitted, is new and is very far from being popular. The vast city of Calcutta with a student population of about 16,000 has only 3 College Co-operative Stores, *viz.* : the Bangabasi, the C. M. S. and the Vidyasagar College Stores ; and though attempts are being made to open a fourth-- the South Suburban-- it is still in a nebulous stage. Even as it is, the Stores that have been opened already are neither very popular amongst the students, nor specially successful as *Co-operative* Stores. An illustration will perhaps make this quite clear. The Bangabasi College Co-operative Stores has only 130 student members out of a total number of 1700 on the rolls. The percentage of members to the total number of students is thus about 8 p. c. This shows a great lack of interest ; and no Co-operative Society can thrive unless it is based upon a spontaneous and willing spirit of co-operation. As matters stand at present, the only chance of success of these College Stores lies in the hope of supplying stores to the College Hostels and Messes. The students of the College as a body, bring very little custom and evince very little interest in the Stores.

We now come to the practical side of the question, *viz.*, how best to start such independent Stores in the various Colleges in Calcutta. For this purpose we divide the Colleges under 2 broad heads, *viz.* :

- (a) Colleges directly under the control of the University. In this category come the University Post-graduate Classes (Arts and Science) and the University Law College.
- (b) Colleges affiliated to the University.

As regards (a) above, the University should take the initiative in starting Co-operative Stores and as this question was specifically referred to us, we beg to submit herewith our recommendations as how best to start an independent "University Co-operative Stores." This will be found in Appendix A to this Report. We have only considered the general features of the scheme, leaving details to be settled later on. If the general scheme is accepted it will be necessary to frame the detailed bye-laws and we suggest that the assistance of the Bengal Co-operative Department may be invited for that purpose.

As regards (b) the University can of course do a great deal by way of encouragement and by example. Some of the methods by which the idea may be popularised are discussed later on.

We accordingly recommend that steps should be taken at once to start in the first instance independent co-operative stores in the Calcutta Colleges. These should form the basis of a bigger federal system in the future. As these increase in number and strength, and as their working spreads the idea and demonstrates the advantages of co-operation amongst the students, the question of starting a central "Stores", affiliating to it all the Branch College Stores may be fitly considered. Such a Central "Stores" will however deal both wholesale and retail—but chiefly wholesale—whereas the Branch Stores will deal in retail only, and the advantages that will be derived from such a federation will be mutual.

*Some of the Difficulties to be overcome.*

In order to ensure the success of these stores, it is essentially necessary to provide as follows :—

(A) There must exist in the students a large amount of co-operative spirit and interest. We can help to create and stimulate it by propaganda work, particularly at the beginning of each session—by means of

- (1) Lectures in Schools and Colleges organised either by the University or by the College Staffs or by students themselves or the University Stores or with the help of the B. C. O. S.
- (2) Suitable pamphlets and leaflets published in easy English and Bengali on the lines of those published by the Co-operative Union of England for the benefit of the poor and even illiterate workers.
- (3) Prizes or medals awarded to persons on the practical working of Co-operative Stores.

- (4) Actual demonstration of the benefits derived from College Stores or the University Store.

(B) Loyalty of members to the Store.

It is of no use starting a "Co-operative Stores" amongst certain people unless those who join it give it their loyal support. A Co-operative Stores is meant for trade—not with the general public—but with a certain limited class of members only. It is evident that unless that limited number of men give their best support, the "Stores" has no chance of success: we must see therefore that the members always buy from the Stores. Theoretically, of course it is to the interest of every member to buy from the Stores only, because he gets either a rebate or a bonus; and it is upon this principle that co-operative stores have been built. But practice is widely divergent from theory. The want of loyalty of members to co-operative stores is an usual complaint in all countries, and India is no exception to rule. At the Bangabasi College Stores, which we saw, we heard the same complaint. The practical difficulties which stand in the way are:—

- (a) All members of the society do not live sufficiently near the "Stores" to be able to resort to it for all their purchases, e.g., if the University Stores is located in College Street, a University student living, say, in Bhowanipore can not be expected to go to College Street for his provisions, clothes, etc. The question of distance is a very great factor which prevents complete loyalty, particularly in a City of long distances like Calcutta. The only possible remedy is to increase the number of branches in different parts of the city so as to bring the maximum number of students within the economic circumference of the branches. But this is very difficult at the start to accomplish.
- (b) Trade Jealousy—The Co-operative Stores will naturally meet with the opposition of those people in whose lines of business it will compete. This is a point which needs very little argument. Nobody ever could please his trade rivals and yet make business. If however it had been a question of merely displeasing the trade very little need be said. But we anticipate active opposition, and hence it is necessary for us to proceed very cautiously. One way of meeting this opposition would be a "Central Stores" but for reasons stated elsewhere, we are unable to recommend its establishment at present. We give here an example of the nature of opposition which we anticipate:—

The Bangabasi College Stores began to deal in books in which largest profits were expected, but they had to give up the attempt because they failed to negotiate successfully with the wholesale book-sellers, who refused to deal with them. The Book trade is very closely organised in a Book-sellers' Association which resents intrusion by any co-operative stores into what it regards as its monopoly. The Association threw difficulties in the way of the Bangabasi College Stores ; it refused to sell to the Stores either on commission or credit, and it insisted upon the Book Branch of the Stores having a separate location, unconnected with any other business. These are some of the difficulties which confront the successful working of College Co-operative Stores ; and it is quite possible that other difficulties may be created by the Association if a College "Co-operative Stores" was actually started.

## PART II.

We now proceed to discuss the question of a "Central Federated Store," which was referred to us in the meeting held on the 3rd July, by which the present Committee was appointed. The idea of a "Central Stores" is that the central body would be a federation of all the individual stores started in connection with each particular College. The relation between the two would be that the Central Stores will buy in large quantity wholesale from the markets and supply them to the Branch Stores. Such a "Central Stores" would have the following advantages :—

- (1) If unity is the soul of co-operation, a Central Store would be the only logical destiny of Branch Co-operative Stores. It is evident that the individual co-operative stores, however well-managed, must necessarily be weak and without influence, as they would consist of limited membership, limited capital and would have to deal with the limited demands of members. Under these circumstances the individual co-operative stores would not command strong positions as buyers. Coupled with this, the opposition which they would excite in the trade would not be inconsiderable. These factors would place them in a very weak position, and it may not always be possible for them to buy as cheap wholesale as they could do under a more strongly organised system. The market might refuse to deal with them—we apprehend it will be the case at least in the Book trade. The Bangabasi College Stores is an illustration

in point. If however all the College students of Calcutta could be organised in a Central Society and induced to buy their books through their College Stores, the opposition of the trade could possibly be overcome. And this can best be done by a Central Society with a larger membership and a larger custom which would assure for it the monopoly of a buyer. Such a society can negotiate on equal terms with an ordinary trade combine and thus the Central Stores would give the individual stores a reasonable chance of existence.

But unfortunately, we cannot recommend its establishment at present for the very simple reason that the constituent College Stores on which alone a Central Stores may be founded, do not exist in sufficient numbers at the present time. There are only 5 such stores now and none of them is strong enough to outlive the slightest adverse circumstances. It is therefore necessary to build a Central Society on the foundation of individual College societies.

#### APPENDIX A.

1. The society which is to be registered under Act II of 1912 is to be named—"The Calcutta University Co-operative Stores."

2. Its objects are:—

- (1) to assist the members of the society in purchasing at reasonable rates such commodities as are generally required by them ; (2) to carry on in common, trade, both wholesale and retail, for the benefit of the members ; (3) to encourage thrift, self-help and co-operation generally among the members and to promote the development of co-operative ideas and enterprise among them.

3. The registered office of the society shall for the present be located at the University Buildings. Ultimately however, the Office and the Stores must be removed to College Street, as near the University as possible.

4. Membership of the society shall be open to

- (i) All Fellows of the University.
- (ii) All Post-graduate teachers and students of the University including the University Law College.
- (iii) Such other persons belonging to the permanent establishment of the University, the University Colleges (including the Law College) and the Hostels and Messes attached to such Colleges, as approved by the Board.

(iv) All ex-students and ex-teachers of such Colleges as approved by the Board.

(v) All employees of the society.

We cannot at present recommend that outsiders should come in and be allowed to participate in the benefits of the stores. It is however understood that members are to be allowed to make purchases not only for themselves but also for their families.

In the Bangabasi College Co-operative Stores, however, they sell things even to non-shareholders and outsiders after meeting in full the demands of the members.

The same rule may with advantage be followed later in the case of the University stores. Indeed, if the stores can be well advertised and well managed it can do a lot of business and supply orders of mofussil students which might be a source of great profit to the Stores.

5. Capital—The capital of the society shall be for the present Rs. 10,000 only, divided into 1,000 shares of Rs. 10 each to be subscribed by the members only. The society shall have power to increase the amount of capital by a resolution to that effect at the annual general meeting whenever it appears that more capital is necessary for the expansion and development of the society.

It is unnecessary to start with a very large capital—not at least until we are quite sure that we can employ the whole amount profitably. The amount of capital ultimately necessary will depend upon the volume of the business which in its turn will depend, first, on the number of our members and, secondly, on the loyalty which the members show in purchasing from the stores. Both these factors are at present uncertain and we ought to be cautious as regards the initial amount of our capital. It is quite possible to do a large business with a small capital if the turnover is rapid and it is therefore unnecessary to begin with a large capital. The Bangabasi College students number about 1700. But the College Co-operative Stores has a paid up capital of Rs. 1,500 only. We were told by the Assistant Secretary of that stores that they did not really require more capital as the volume of business carried on was limited. Similar reasons apply in the case of the stores we are going to open. The number of students in the University Post-Graduate and the Law College and the number of teachers, Fellows, etc. who are likely to join do not probably exceed 2,000. The proposed stores

will provide for a portion only of the needs of a fraction of these 2,000 men. Hence we really do not require a very large amount of capital at the outset. Power should however be reserved to increase the capital if and when necessary.

Shares must be transferable, *e.g.*, by application. Each year some of the students who finish their courses or who leave their studies may desire to dispose of their shares. In such cases provision must be made for transferring them to new-comers. This facility of transfer is essential ; for if students understand that they can easily dispose of their shares at any time they choose, they will buy freely, whereas the non-transferability of shares will act as a great check.

Canvassing may be necessary at first to sell shares by meetings at Colleges.

The office-bearers of the society shall consist of :—

- (1) A President.
- (2) A Vice-President.
- (3) A General Secretary.
- (4) A Treasurer.
- (5) An Accountant.

The office-bearers are to be elected by the Board from amongst the general body of shareholders as soon as it is constituted after the annual general meeting.

*The Board* (1) It shall consist of persons representing the following classes of shareholders who shall form the Electorates :

- 3 from the Fellows of the Senate.
- 5 from the Teachers of the Post-Graduate classes (including the Law College).
- 15 from the Students.
- 2 from the Clerical Staff of the University and the employees of the society.

(2) The members of the Board shall be elected, by the respective Electorates, by ballot in the annual general meeting—to be held in the month of July on the re-opening of the Colleges after the Summer Vacation.

9 members will form a quorum.

#### EXECUTIVE COMMITTEE.

(1) Immediately after the election of the office-bearers the Board shall elect from amongst themselves an Executive Committee of 7 members.

(2) The Executive Committee will appoint its own Chairman and Secretary.

(3) Quorum—3.

*The commodities in which the stores will deal.*

The selection of the commodities in which the stores shall deal is always difficult and is liable in spite of best efforts, to be more or less arbitrary. The principles which should regulate such selection are, we take it, as follows :—

- (a) They must be commodities which are of daily use and are in large demand by students who are to form the majority of members of the society.
- (b) They must be commodities which do not involve the laying out of a very large amount of capital at the outset, so as to be beyond the financial means of the society.
- (c) They must be commodities in which there is a fair chance of profit.

On these principles the society should in the first instance deal in the following things only :—

1. Books.

2. Stationery (paper, bound exercise books, letter-papers, envelopes, blotting papers, nibs, penholders, pencils, ink, soap).

*N.B.* - Exercise books, letter-papers and envelopes may even be prepared by the Stores itself.

3. Provisions :—

Rice, Ghee, Atta, Dal, Oil, Flour, Fish, Potatoes, Spices, Condiments, Tea, Biscuits, Bread, Butter, and Sugar.

4. Dhoties.

5. Boots and shoes.

6. Miscellaneous—Matches, Candles, etc.

The above list may however be altered from time to time by the Board.

*Terms on which members are to be allowed to participate in the benefits of the society.* \*

Members may be allowed

(a) a rebate in the price ; or

(b) a bonus on the amount of annual purchases. \*

Generally speaking, members prefer a rebate to a bonus for the simple reason that in case of a rebate the benefits of membership in the society are realised often—indeed, every time that a purchase is made—whereas in the case of a bonus, the benefits come once a year only.

Further, a rebate policy will be doubly welcome in these days of high prices, particularly amongst the poorer members of the student community.

But the principle of rebate is difficult to work, and unless very carefully managed, is likely to lead to very grave complications. The task of fixing the amount of rebate and the extent to which the market prices are to be reduced for sale to the members of the society are necessarily very difficult ; it will require the services of trained market experts conversant with daily movements of market prices of the various commodities to determine them. To command the services of such experts will be a very difficult task at the initial stages of the Society's life. If goods are sold at less than market prices, it may be suspected that the goods sold are adulterated or of inferior quality. It is of course understood that the principle of rebate can be arranged more easily in case of some commodities than in case of others, *e.g.*, books.

We are therefore unable to recommend that the principle of rebate should be adopted in all cases though we realise that such a principle, if it could be practically worked, would be very welcome to the members. We therefore recommend that

- (a) In case of books the principle of rebate be adopted and books are to be supplied to members at a rate of rebate to be determined by the Board from time to time.
- (b) As regards other commodities they are to be sold as near the market prices as possible and bonus is to be granted to members, at the end of the year, proportionate to the value of purchases made during the year.

*How can the University help the movement.*

1. By giving the "University Stores" a temporary location in the University Buildings.
2. By encouraging it by moral support, and enabling the members of its teaching and clerical staffs, particularly at the initial stages, to buy shares by making advances—such advances being recovered in equal monthly instalments. \*
3. By usual propaganda work.

II. Statement of work done by the "Students' Co-operative Stores Organization Committee" submitted by Prof. Rajkumar Chakravarty, M.A. to a meeting of the Committee held in September last.

The Students' Co-operative Stores Organization Committee came into existence as the result of the Students' Co-operative Conference held at the

Calcutta University Institute on the 26th March, 1919. The first meeting of the Committee came off on April 4, 1919. As it was then the fagend of the session, no work could be taken in hand in some practical form, the 2nd and 4th year classes having been already dissolved. The new session has already commenced and our real work has to be done now.

Of the two College Co-operative Stores already existing, the Bangabasi College Co-operative Store has just completed its first year. I am glad to inform that it has presented a brilliant record of work under the management of our worthy representative Mr. S. N. Dey. The Accounts show that the stores has made a profit of Rs. 439-4-4½ of which about Rs. 150 will go to the Reserve Fund and a dividend has been declared at the rate of 7½ per cent. and a bonus of Rs. 128-12-0 to the members and a rebate to the members of Rs. 43. We wish the Bangabasi Co-operative Stores still more glorious success in years to come.

About the C. M. S. College Co-operative Stores we cannot unfortunately say the same thing. Owing to some internal difficulties, the Co-operative Store there could not work for sometime last year and the balance sheet does not show any profit. The store has however been revived and has started work afresh.

The 3rd College Co-operative Society that has just applied for registration is the Vidyasagar College Co-operative Society. The office of the society is at present at the Vidyasagar Hostel and its establishment is due to the energy and enthusiasm of the Superintendent of the Hostel, Prof. J. K. Chaudhury. For the present it is in its experimental stage and its activities has been confined to a few chief articles of consumption. We have every hope, under the management of Prof. Chaudhury it will also prove a success.

The Sibpur Engineering College is now enjoying its 3 months' long vacation. Our representative there, Mr. B. C. Gupta, has done the necessary spade-work in the meantime for the establishment of a College Co-operative Stores there from the middle of November, when the college reopens. It is very encouraging to hear from Mr. Gupta that within 24 hours calls for shares elicited a promise of Rs. 5,000, half from amongst the staff, about Rs. 2,000 from amongst students and Rs. 500 from the ex-students. We hope that Mr. Gupta will leave no stones unturned in starting the Co-operative Store in his College.

Next, we turn to the Presidency College Hostel, *i.e.*, the Eden Hindu Hostel. Here have arisen some practical difficulties. The mess-committee there has already been working on a Co-operative principle, though not in

name. The steward there, who is a Government servant, manages the messing and is responsible for the store under the instructions of the mess-committee. It is feared that when the Co-operative Store will be started, he will be relieved of the responsibility that now lies on his shoulders. Next all accounts there are now settled by the Accounts Department of the Government. Regarding the conversion of the caution money into the shares of a Co-operative Store and some other important matters relating to the Accounts, the boarders of the Eden Hindu Hostel have not the same kind of free-hand as those of the private colleges like the Bangabasi or the Vidyasagar have. Attempts are however being made to remove these difficulties. But the boarders there have been doing one very useful thing. They have started a Co-operative Book Agency under the secretaryship of our representative, Mr. Nalinakshaya Sanval. He has arranged with a local book-shop that on his giving a slip under the name of the Eden Hindu Hostel Co-operative Book Agency, the Book-shop will supply the members with the required books and give the Agency some 10 P. C. commission. In this way, the Eden Hindu Hostel Co-operative Book Agency has already bought and distributed books worth Rs. 2,000 and the Agency has got some good commission. No doubt, this is Co-operation in some shape. I am glad to observe, that the idea of a Co-operative Book Depot is there and I hope, ere-long, the boarders of the Hostel will be able to give the scheme some practical shape.

I would now tell you, gentlemen, some of our experiences—the difficulties—that often arise in connection with the starting of a Co-operative Store in a College. Firstly, the Store must have at its back a Hostel consisting of a large number of boarders, say not less than 100, who must buy their articles of consumption from the Store. To this patronage may be added, that of the messes attached to the college, of the Professors and ex-students. The want of such a source of permanent support (*i.e.* a big College Hostel) has offered a various obstruction in the way of the establishment of a College Co-operative Store in the Medical College and in South Suburban College, where we have got as our representative such enthusiastic champions of the Co-operative movement as Rai Bahadur Dr. C. L. Bose, Principal Sinha. The Scottish Churches College, though it has got a number of very well organized hostels, has to face the same difficulty to some extent. Some of its hostels has got such a large member of boarders as the Bangabasi, City or the Vidyasagar Hostels. This brings us to the question of a Central Co-operative Store for the Colleges, from which large supplies may be made

to the various co-operative societies attached to the colleges. The Principal of the S. C. College, though highly appreciating our object, was very sorry to observe that he had no central house, nay a room—to spare, where he could start the store and he greatly expected that a Central Co-operative Store would soon be started to remove this difficulty. Unless and until such a Central Co-operative Store is started and a large stock of articles is kept there at a wholesale price, the feeder-societies, (*i.e.*, the different college stores) can not be expected to flourish. The secretaries of the different college stores have to take individually much trouble to ascertain the market price of things and the place where the cheapest rate is available, so much so that these Hony. workers have seldom any leisure in life if they are to do their work sincerely. All these troubles can be saved if there be a central store. Further, if such a one exists, other colleges also will not feel shy in starting a co-operative store in their places ; for, the most difficult part of the task, *i.e.*, having the best thing at the cheapest rate, will then be taken over by the central store. If this scheme be not practicable at present I would suggest the formation of a Central Purchasing Bureau at once, the duty of which will be to be in touch with the current market price and to know for themselves and to inform the existing Co-operative Stores where the best thing at the cheapest rate is available.

The next difficulty in the way of starting Co-operative College Stores arises from want of a suitable man to act as the secretary and be responsible for the Store. My slight experience tells me that some Professor or Professors must be in charge of the society or the Store, and the students—who are an ever-shifting generation, may be taken in as assistants only. But the work of the Secretary is not merely one of brain—he has to look out in the market for the best thing at the cheapest rate, so that the work very often proves too heavy for him, both physically and intellectually. Hence the need of a paid man to go about marketing has been urgently felt in some places. But a paid man, at the same time an honest and responsible man, is seldom to be come across. The bazaar Sircars, of whom every hostel has got one or two, cannot be entrusted with this work, as they will try to gain some premium from every shop which will supply articles.

These are some of the difficulties which I have to place before you for your consideration. In conclusion, I would ask you all to proceed slowly in this matter of starting co-operative stores. Better that there should be only one co-operative society which will be a success and an ideal than a dozen other societies which will be failures and will injure the cause of the

Co-operative movement as a whole. We must not go upon ideas merely. I am not in the least discouraged at the rather slow progress of our work—I am not sorry that every college has not started a co-operative store by this time. The ground must be prepared first. Unless there come forward some really enthusiastic professors and students who will devote themselves wholeheartedly in this work, let no Co-operative Store be started in any college. It is my painful duty to sound this note of warning before I take my seat.

III. Extracts from the Report of the Committee appointed to give effect to Resolutions No. 11 and 13 of the Tenth Provincial Co-operative Conference regarding the further development of Industrial Co-operation in Bengal.

The following agenda had previously been drawn up and circulated to the members.—

1. To consider (a) what industries should be taken up first for organization, and (b) what areas should be tapped first.

2. What form of Co-operative Organization (as for instance, industrial unions or supply and sale agencies or sub-committees of Central Banks) is best suited for developing the cottage industries?

3. Whether Industrial societies should work invariably under the *Bani* system or whether cash advances also should be permitted? If the former what arrangement should be made for supplying the raw materials and disposing of the finished products ;—whether there should be a Central Organization at Calcutta or Local Organizations in the Districts.

4. How far the Bengal Home Industrial Association can be of help in developing industrial societies with finance and in other ways, as it does in the case of the individual artisans in different localities? Could not the said Association be converted into a Co-operative Wholesale Society for Bengal?

5. What is the best way of giving effect to Mr. L. M. Gupta's Proposal mentioned in Resolution No. 13? Can a shop be started co-operatively? If so, in what goods should it deal?

6. What should be the part of the Co-operative Department in developing Industrial Societies?

At the out set the committee wanted to know the present situation so far as the industrial societies are concerned. The Joint Registrar gave a brief summary of the progress made with such societies in the course of the past official year and of the information and experience gained thereby. From this it appeared that at the end of the year there were 165 industrial

societies, of which weaving societies numbered 101, fishery societies 27, milk-supplying societies 21 and shoe-making societies 5. There were, besides, a small number of silk-reeling, cocoon raising, toymaking, oilpressing and irrigation societies. These societies were scattered all over the province. The Bankura district alone had 41 weaving societies and these were reported to be doing well. The Joint Registrar explained that this was due to the fact that the work was carried on systematically under a special organization known as the Bankura District Co-operative Industrial Union. The success of the milk societies in Baraset also was attributed to a similar cause, *viz.*, the formation of a milk Societies Union at Calcutta. The Joint Registrar briefly related the system of work of the above unions.

The Committee then considered the subjects on the agenda one by one and arrived at the following conclusions :—

I. In addition to the industries already taken up the following should be taken up for organization first—

- (1) Button-making in Dacca, Brahmanberia, Naogaon, Sundarhands,
- (2) Basket making and cane worn in Brahmanberia, Mymensingh, Pabna, Faridpore, Midnapore.
- (3) Mat-making in Midnapore, Naogaon, Pabna.
- (4) Gunny-weaving from jute and canvas-weaving from hemp in Brahmanberia, Barisal, Pabna.
- (5) Brass and bell metal in Midnapur, Bishnupore in Bankura Dhamuri, Kagnari in Tangail.
- (6) chank manufactures of Dacca.

Special attention should be devoted to the development of the following industries on co-operative methods—

- (i) Silk manufactures in all its branches.
- (ii) Oil pressing both mustard and cocoanuts.

II. Industrial unions of the Bankura Model are the best agencies in the mofussil for the supply of raw materials, sale of finished products and financing of Industrial Societies. In places where such unions cannot be immediately organised on account of smallness of number of Industrial Societies the work may be left to the central banks. The Provincial Federation should have a special committee of its own with business men and representatives of mofussil Industrial unions and societies co-opted on it, to arrange for financing, supply of raw materials and sale of finished products.

III. As a rule, cash loans to members of Industrial societies should be

discouraged and should not be granted except under exceptional circumstances.

IV. The Co-operative Department should provide for adequate expert supervision and guidance of the industrial societies and should arrange for exhibitions and propaganda work.

V. As to item 4 in the agenda of the committee was of opinion that it is not much use asking the Bengal Home Industrial Association to undertake the duty of helping the Industrial societies on any large scale. It is enough if it serves the purpose of one of their marketing agencies.

Mr. L. M. Gupta having withdrawn his proposal, the committee did not consider item No. 5.

IV. Extracts from the Report of the Committee appointed to arrive at a workable Scheme of Co-operative Training.

The following agenda had previously been drawn up and circulated to the members—

1. For what class of men is training necessary? Does this class include Secretaries of rural Societies, Supervisors, Inspectors, Auditors and paid Secretaries of Central Banks who are at present working or does it include only future recruits to these posts?

2. Is it necessary to have an "Examiner" or a "Head Secretary" for a group of village societies, as in Commilla?

3. Should the training of all the above classes be taken in hand simultaneously? If not, which class is in urgent need of training?

4. Where should the training be given and who should make arrangements for the training—the Central Banks? or the Registrar? or the B. C. O. Society? Should we adopt Babu U. N. Sen's scheme of training rural secretaries and Babu B. K. Das's scheme of training supervisors?

5. Should there be a Central Co-operative Training Board in Calcutta as described in Prof. Mukherji's paper?

6. Will there be any necessity of appointing "Divisional Instructors" or of deputing experienced Inspectors or auditors for the purpose of conducting such training classes?

7. What should be the period of the year when such training should be given?

8. What should be the curriculum for each class of officers to be trained.

9. What arrangements can and should be made for giving practical training to new recruits?

10. In case a training class is opened in Calcutta, will it be open to all? If not, what conditions have to be fulfilled for admission?

11. Can not arrangements for higher co-operative training be made in connection with the Calcutta Commercial Institute or the University or the Bengal Provincial Federation of Central Banks?

12. Who will bear the cost of the training classes, should any one be started?

The Committee met on the 5th September and again on the 13th, considered the subjects in the agenda one by one and came to the following conclusions :—

- (1) The Committee is of opinion that Training is necessary for the new recruits primarily and for officers both under Central Banks and under Government, generally of not more than year's standing.

Both Theoretical and practical training ending in an examination is necessary for new recruits. For officers (including paid secretaries and honorary organizers) already in service for less than three years both practical and theoretical training is necessary. Officers working for over 3 years should undergo training, if required by the Joint-Registrars. Power of exemption should be retained by the Registrar for any class of officers.

- (2) Generally the societies should be divided into groups consisting of not more than 25 societies each, placed under a supervisor in preference to an Examiner which system the Committee does not recommend. If however, a Central Bank can afford to pay, the circle of a supervisor can be further divided into smaller groups and placed under Examiners, if efficiency requires it.

- (3) Village Secretaries and Supervisors should be trained first. The village Secretaries will be trained ordinarily in their homes by Supervisors and Auditors under direction of C. I. But Central Banks may arrange for their training at other convenient centres.

Both the department and the C. B's. should make arrangements for this training with the assistance of Departmental officers.

The curriculum proposed by Babu U. N. Sen is approved but circulars concerning the societies should be added to it and a treatise in easy Bengali should be compiled and made over to the B. C. O. S. for publication dealing with (1) Act, (2) Rules, (3) Circulars,

(4) Principles so far as they relate to the societies.

- (4) For the training of Inspectors, Auditors and Supervisors (Theoretical) there should be a Central Training Board in Calcutta organized by B. C. O. S. with either one training centre in Calcutta, or preferably two, one in Calcutta and one in Dacca, both being Controlled by the Central Training Board in Calcutta.

The function of the Training Board should be as follows :—

- (1) to organize (if necessary) separate courses of lectures for  
(i) Inspectors, (b) Auditors, (c) Supervisors, (d) Hon. Organizers,  
(e) Paid Secretaries of Co-operative Societies, (f) Hon. Secretaries who are willing to undergo the necessary training;
- (2) to prescribe curricula-- for different classes of officers ;
- (3) to arrange for an examination or such other test of proficiency as may be decided upon by the Board.

The Committee recommends that an experienced officer of the Co-operative Department should be deputed by the Registrar to help the Secretary of the Board in conducting the affairs of the Training class.

The Committee is of opinion that the course should be held some time in cold weather and the period of training should be not more than 6 weeks.

5. Those who succeed in the Theoretical test must be deputed for practical training to assist under circle Inspectors.

6. Outsiders may also be admitted to the training class in Calcutta or Dacca on such terms and conditions as may be determined by the Board.

7. There should be a chair for higher Co-operative instruction and research in the University and the University authorities may be moved to consider the recommendation.

8. In view of the fact, that Government Officers, viz., Inspectors, Auditor would receive instructions and in view of its importance in the sound development of the Co-operative movement, Government should bear the costs of the Training class.

9. With regard to new recruits it is recommended that they should be given provisional appointment with subsistence allowance first and should be asked to deposit such a sum as may be determined by the Board. In case of failure to pass the tests and consequent removal from service the subsistence allowance paid to them would be deducted from their deposit. If they be given a second chance in case of failure, the expense of their training should be borne by themselves.

## THE BOMBAY CO-OPERATIVE CONFERENCE

The Provincial Co-operative Conference which has just held its session in Poona is welcome evidence of a work that is going on in many of the most out of the way places all over the Presidency and amongst all sorts of people—townsmen or countrymen, capitalists or wage earners, officials and honorary workers—a work that has for its objects the improvement of the economic condition of the people, the inculcation of habits of thrift and punctuality in payment, the training of the villager in the simplest elements of village banking and that strengthening of the character, both of communities and of individuals, that comes from a united purpose and a common effort. Of the three hundred and seventy-two members of the Conference, two hundred and thirty-one were either elected delegates or invited representatives of different societies, and eighty-eight represent the number of volunteer honorary organisers, so that it will be seen that the official element amongst the co-operators is a very small one. Unlike other countries, the movement in this country has been initiated and carefully fostered by Government. The holding of the Conference and the presence of His Excellency the Governor are themselves evidence of the interest Government takes in the movement. But no one will be more anxious than the Government officials that as the societies grow in the power of self-management the need for official supervision should grow less. A sub-committee, of which Dr Mann was the chairman, resolved "that the organisation of further societies, so far at least as credit is concerned, should be left in the hands of non-official agency," and such a resolution is quite in accord with the lines on which a healthy growth should be looked for, but at the same time certain cautions will have to be taken if the cry of de-officialism is not to lead to undesirable results.

Progress in self-government varies so enormously that, while some societies can govern themselves without much outside help, others depend largely on official supervision if any satisfactory

work is to be got out of them, so that the withdrawal of official supervision should only be in proportion to the capacity shown by the societies for governing themselves. It will also be necessary to watch lest while removing one form of bureaucracy—that of the official—another is established in the person of some capitalists who because they finance societies claim to dominate the committees of such societies. The movement, if it is to be thoroughly democratic, must be on the basis of one man one vote and this is not always acceptable to those who would seek to increase their voting power in proportion to their power of investing. If this were allowed, the democratic nature of a society would soon disappear in favour of an oligarchy. There seems to be a certain amount of inconsistency in the way in which some of members of the Conference, while urging the withdrawal of official control, demand at the same time larger privileges from Government as to the recovery of debts due or the power to sue non-members. The Conference as a whole rightly left these matters alone, considering that the bolstering up of the movement by special legal privileges would not commend it to the public and is not a healthy form of growth. One work which might well pass over from the Registrar to the Bombay Central Co-operative Institute is that of organising the Conference, and drawing up a proper constitution with rules for its guidance, so that it may become a conference that can claim fairly to represent all the multifarious interests that are covered by the Co-operative Movement. How varied those interests are can be seen from the official report of the working of Co-operative Societies in the Bombay Presidency for the year ending 31st March, 1919.

The question of providing sufficient capital to meet the needs of the primary or agricultural societies rightly occupied the attention of the Conference and the clear statement put out by the Committee over which the Hon. Mr. Chunilal V. Mehta presided is valuable as a definite enunciation of the principles that should govern the financing of these societies. The Committee states, "There should be only one agency for the financing of primary societies in one particular area." That is to say, a primary society in need of capital should apply through its guaranteeing union to the District Bank in the first instance, and not to the Provincial

Bank, unless the District Bank is unable to make the advance asked for. Obviously, the directors of the District Bank will be in a better position to know the condition of the primary society applying for an advance, and on the other hand the primary society can be better represented by its delegate on the board of the District Bank than on that of the Provincial Bank, which is so much further removed from the district in which the primary society is situated. Co-operators would do well to put the work of the District Banks in the forefront of their programme, so that local capital may be invested and their ability to finance the primary societies of their respective districts largely increased. The District Bank ought to be a more popular financing agent for the primary societies than the Provincial Bank, since its directors are better known in their several districts and the horizon of the ordinary cultivator generally finds its limits at the district headquarters and not at Bombay. The resolution of the Hon. Mr. Mehta's Committee has the merit of simplicity and this is a great desideratum in matters affecting primary societies.

It is probable that this thought was in the minds of those members of the Conference who opposed the suggestion of appointing supervising councils to overlook the managing committees of the primary societies on the ground that it would lead to a greater intricacy of organisation without a corresponding advantage. At the last Provincial Conference Mr. Kelkar pleaded for the establishment of such councils for urban societies and this has been permitted, but the extension of this to primary societies was a matter about which the opinion of this year's conference was divided, and at the suggestion of His Excellency the matter was left over till the next Conference, when it can be decided in the light of fuller experience. There is a tendency to form far too elaborate an organisation and the promoters will be disappointed when they find that it is too intricate and becomes merely a paper organisation. The Hon. Mr. Lalubhai Samaldas, in urging the claims of the Central Institute, wishes to make it the chief means of propagandist activity, with apparently local committees, while the Registrar in his paper on Federations puts forward a somewhat different scheme and the relation of the Federation Scheme to that of the Institute has yet to be defined. We would ask co-operators to consider

whether they are not elaborating too much, especially when we consider the educational status of the main body of the members of the village society. The primary society has its managing committee, it is visited by the Government auditor, by the honorary organiser, by the inspector of the District Bank and by the Registrar and Assistant Registrar. In addition to this it is proposed to have federations which may or may not be independent of the Central Institute, which, if it was independent of the federations, would have its own local committees. The relation of the Institute to the Federation Scheme has, as we have said, still to be discussed and when this matter comes to be dealt with we trust that simplicity in organisation will be the principle that will be steadily adhered to.

The work of the Conference that will probably chiefly attract the attention of the general public was the statement put forth by the Hon. Mr. Purshotamdas Thakurdas on the starting of a Co-operative Wholesale Society in Bombay, with its branches, called primary stores, in all parts of the Presidency. The share capital to start with is to be Rs. 1,00,000, divided into 10,000 shares of Rs. 10 each. The scheme has already had the sympathetic attention of His Excellency the Governor, in the speech he made at the annual meeting of the Central Institute, and from the way in which it has been received by the public there seems every likelihood of it being necessary to increase the share capital at a very early date. As the resolution of the Committee says, "the success of the store depends on the employment of a competent manager experienced in the commercial side of the management of the store as much as on the best of guidance from persons conversant with various branches of trade in Bombay and in other big centres in India." Mr. Devadhar, whose interest and experience in the matter are well known, suggested to the Conference that competent persons should be sent to Europe to be trained for this particular work, and it will be for the executive body of the Wholesale Society to consider how far this suggestion can be carried out. All will admit that honest and competent managers both for the Bombay as well as for the local stores, will be necessary and perhaps they will admit that it is difficult to find men who will be so self-denying—to use the Hon. Mr. Purshotamdas Thakurdas' word—as to subordinate their own interests to those of the body employing them.

It has been a much-disputed question as to how far communal societies, that is societies based on caste distinctions, should be allowed. In a large city like Bombay, where it is difficult to hold people together, the caste bond has been found a useful basis for a society, but in village societies the formation of caste societies, it is alleged, tends rather to emphasize than lessen factions and therefore should be avoided. Dr. Mann's Committee has stated this very clearly. It says, "While no objection need necessarily be taken to communal or caste societies, it is very undesirable that such societies should be encouraged in ordinary village; " And this is a decision that will approve itself to all those who know anything of the life of the Indian village. Co-operation belies its own name if it does not strive to lessen rather than perpetuate division. Looking at the agenda that was before the Conference we are struck with the number and variety of questions brought up for discussion, and these show that the co-operative movement is not one that is confined to or manufactured by a few educated leaders, but one in which the trader and the labourer, the caste and the outcaste, the educated and the backward, are all interesting themselves and interesting themselves in an intelligent way, learning to consider and discuss questions on their own merits and not allowing themselves to be led blindly by a few masterful spirits. If the movement continues in this spirit, thoroughly democratic, thoroughly representative, making sure of each step as it advances, working not for self-interest but for the good of the whole community, avoiding petty jealousies and looking to a high ideal, then we may be sure it will attain to a manhood worthy of all the care that has been bestowed on its birth.—*Times of India*.

## CO-OPERATION IN MYSORE

---

**Mr. Devadhar's Presidential Address at the Mysore Co-operative Conference  
held on the 2nd October, 1919.**

YOUR HIGHNESS AND FELLOW CO-OPERATORS,

Kindly permit me to thank you all, from the bottom of my heart, for the great honour you have been pleased to confer on me by asking me to preside over this distinguished gathering of Co-operators in this most advanced of Native States in India. I am not sure if His Highness the Yuvaraja Sahab of Mysore and my friend the Registrar of your Co-operative Societies have not made a mistake in selecting a humble person like myself to fill up this very important office to guide your deliberations. I am a humble student of the Co-operative movement and as such I have come here to learn and not to teach. I, however, have contributed my small share to the development of this movement and the spread of the man-making principle of co-operation in my part of the country; and you cannot, therefore, expect from me that help and guidance which would have been supplied by a veteran co-operator steeped in the intricacies of co-operative law and finance. You may prepare yourselves for great disappointment. I, however, yield to none regarding my faith in the great potentialities of this movement for the uplift of the vast masses of our countrymen. I, therefore, look upon your action as a mark of your appreciation of the work which the members of the Servants of India Society have so far done in the field of co-operation and accept it as your warm and affectionate tribute to its humble services to this great cause. Speaking personally, my experience of the past twelve years of work in various fields of co-operative activity has deepened my conviction in its great power and influence for good and I am one of those who have now come to believe in its supreme importance in our scheme for national reconstruction.

2. As the time at my disposal is very brief I do not propose to dwell at a very great length on the results which the co-operative

movement has achieved in our country during the past fifteen years of its steady growth. They should be enough to convince any one that knows full well the condition of the bulk of the great agricultural and labouring classes. There are to-day in India 26,465 Co-operative Societies with a total Membership of over 10,50,000, and the amount of the working capital brought into play by their means stands roughly at Rs. 14,50,00,000. Considering the varied needs of our vast population the progress so far made, though very encouraging, is not quite adequate and it will be my main object in addressing you this evening to point out the directions in which we ought to endeavour to push on the work by introducing new life and vigour, in the light of rich and valuable experiences regarding the growth of this movement in western countries which I was privileged to gather during my recent trip to Europe.

3. I shall put them briefly as follows :—

- (1) To develop agricultural co-operation on non-credit lines, so as to secure rapid advancement of our agricultural industry on the basis of extended and democratized credit which is its primary need in India ;
- (2) To organise on a larger scale, and on systematic and modern lines, the purchase of the needs of agricultural life, and the production, the collection, the distribution, and the sale of our agricultural output ;
- (3) To start distributive stores for the cheap supply of daily requirements of the various classes of the community for which the recent experiences of cruel profiteering have clearly established a need ;
- (4) To start co-operative societies on the basis of limited liability to help small traders and poor artisans ;
- (5) To promote distribution of the daily wants by means of co-operation among the struggling middle class ;
- (6) To resort to co-operation in supplying sanitary houses to the needy section of our community ;
- (7) To associate our women in a suitable way with the growth of this movement ;
- \* (8) To interest our younger generation of boys and girls at

schools and colleges in the life-giving principles of co-operation ;

(9) To introduce on a much larger scale the social and the educational activities which are some of the outstanding features of the western growth of the movement ;

(10) And thus to elevate co-operation to the level of a powerful lever, as in the West, to lift up the masses ; and lastly,

(11) To adopt popular methods of propaganda.

These, in my opinion, are some of the channels in which our co-operative enthusiasm will have to flow in the near future if we are to secure the ends for which the great principle of co-operation stands.

4. Now coming to your co-operative movement let me tell you at once that I have conceived the profoundest admiration for the progress that you have achieved here. I have gone through some of the valuable literature which your Registrar has kindly sent me and the impression that its perusal has left on my mind is very flattering to you. If praise coincides with truth I want to give it frankly. Your growth clearly shows that you are conscious of the many purposes to which co-operation can be applied and of the varied services which it should be impressed to render to your fellow countrymen. It also seems that you are making attempts in several directions in which they have not been made so successfully elsewhere ; and as in many other matters of public importance, we are accustomed to look up to Mysore, so even in this field of co-operation we, in British India, will gladly look up to you for new experiments and convincing results which you can strive to show on account of several facilities that you are so proud to possess and which your enlightened Government is so ready to give.

5. This is not my first visit to your State. When I was at Bangalore about three years ago for the purpose of lectures, I tried to make myself familiar with some of your work then and to-day I find that the stream is rapidly and increasingly running into many useful directions. You have up to-date 1,350 Societies which number has grown from 5 in the year 1905-06. Your membership

to-day is about 90,000 and your working capital stands at Rs. 90,00,000. It is gratifying to note, in this connection, that your share capital amounts to Rs. 32,39,600 and that your loans and deposits aggregate to a total of Rs. 45,47,000; and these Societies have collected so far a reserve fund of Rs. 4,13,878. Your movement claims total transactions amounting to Rs. 2,40,00,000. On examining these figures very closely you have, as is quite natural, very large proportion of Credit Societies (including 60 grain banks) their total being 1,200 out of 1,350 co-operative institutions at the present moment.

6. The non-credit Societies in Mysore whose number naturally is small, *i.e.*, 150 to-day, show a fairly wide and interesting range of agricultural and industrial co-operation and the scope for its extension is unlimited. There are in all 25 Societies that are engaged in supplying agricultural implements, seed, and manure; there are besides 35 additional societies that have opened branches for the supply of these articles to their members. The needs of the weaving or handloom industry have rightly attracted your attention inasmuch as you have to-day 40 co-operative Societies to help this class of artisans at each stage of their work. Very encouraging results have been achieved and your Government have given them liberal help in money and men. Every well-wisher of these two basic industries of an advancing community would like to see more attention and greater care bestowed upon the development of these two great and useful branches of industrial advancement. Moreover, you have 45 co-operative stores. I read in your reports that these and about 200 other societies have rendered very excellent service to their members and the general public during the recent trouble of high prices. The number of house-building societies is 4. I remember very well how I saw, during my last visit to Bangalore, the houses of a few members that had materially profited by the work of one of these and had secured comfortable homes. The need for better housing is a crying want that is being keenly felt all over the country and I trust here too. Going into further details I find that in many matters of Co-operative interest and importance you are more favourably situated than many other Native States or even the provinces in British India. You have over 11 per cent. of your Co-operative institutions devoted to non-

credit purposes whereas their percentage in the whole country is little less than 6 per cent. You have to-day 23 Co-operative Societies per 10,000 of your population, which is the biggest proportion in all Native States and bigger than many advanced provinces in British India like Bombay, Madras, and Bengal. The number of members of your societies per 1,000 of the inhabitants of your State is 14, which is far ahead of all Native States and even of all the provinces in India. The working capital of your Societies gives an average of 25 annas per head of the population in the State, and even in this respect your position is second only to that of Burma amongst all the Provinces of India and all the Native States. These figures given above clearly indicate that your State occupies a position of great pre-eminence in the Indian Co-operative world. The soundness of a movement is judged by the standard of self-help that enters its composition. Even from this point of view I find that your movement has attracted a very large amount of share capital and capital raised by means of loans and deposits. But I find that you need a much larger amount to meet your growing requirements and I have no doubt that you will be able to raise the amount with the further extension and concentration of your financing agencies. Looking at the rates of interest at which you borrow, you do not suffer by any comparison with provinces in British India, but Baroda has a more advantageous position. The rates at which you lend are pretty high and efforts should be made to bring them down, though they are much lower than the current market rates. Your Registrar calculates that during the year 1917-18, "the cheaper credit afforded by the Co-operative Societies resulted in a saving of Rs. 5,20,000." This sum, though small in itself, is indicative of a considerable amount of indirect saving to the members in their transactions.

7. One of the very interesting directions in which your department is engaged is the institution of investigation into the economic condition of the members of the Co-operative Societies. This, in my opinion, is a step in the right direction to determine the process of liquidation of old debts. So far, this investigation has been complete with respect to the members of 268 Societies, and I am sure the valuable data thus collected will throw great light on the problem of redemption of old debts. The Baroda Govern-

ment published a very valuable report on the agricultural indebtedness in the State in 1913, and a similar investigation conducted by the Mysore State will be an asset of great economic usefulness to the whole of India, too. It is very refreshing to note that your movement has not lost sight of the special need of the Depressed Classes in your community, when it is observed that the number of these societies for this class of our countrymen has risen from 7 to 20 during the last year and several other existing credit societies also have begun to admit into their membership, people of the Depressed Classes.

The Reserve Fund of your Societies is very judiciously employed and that is a point regarding which your movement has shown a decided improvement upon the practice prevailing in outside places. I am glad to notice the very favourable change that has taken place in the attitude of the educated classes and of the general public towards this movement, which is described to be one of approval and friendliness and if the mercantile people and the moneylending classes, as the Registrar says in his Report, who were distinctly opposed to the movement show a friendly spirit it would be a case of double blessing.

8. Lastly it is to be noted that your movement has shown an all-round progress in almost every matter of importance. Your department is rightly engaged in working out schemes of consolidation, concentration, and expansion of the movement. With the strengthening of the superior and subordinate staff and with the help of non-official and voluntary workers these measures are bound to secure a much better and more extended progress of the work in the near future. It is gratifying to note that 35 of the productive co-operative societies sent articles of their manufacture to a recent Dasara Exhibition and secured 9 medals and 2 money prizes.

It is very refreshing to read of the larger usefulness of the co-operative organisation as a ready machinery or a willing agency for urgent social service during the period of the serious food situation and also during the time of the all-pervading out-break of Influenza. You cannot be too grateful to your Government for the very liberal measure of assistance they have given you in respect of men, money, and concessions in the initial stage of the movement, and if the people will rightly understand that State help is

always to be utilised as a necessary incentive to voluntary effort, it will prove a source of great strength rather than weakness. But last, though not the least, I cannot forget to mention prominently the most valuable services rendered to the cause of co-operation in your State by your most distinguished and enlightened citizen, I mean His Highness the Yuvaraja Saheb of Mysore, whose parental interest in the growth of the movement has been the largest factor of its growth. His Highness seems to me, more or less, the Guardian Angel of Co-operation in your State and your deepest gratitude is due to him for all the initiative and interest and personal association and valuable sacrifices he has made to make it a great success.

The system of awarding 10 prizes every year to various Co-operative Societies instituted by His Highness the Yuvaraja Saheb is calculated to stimulate a healthy spirit of rivalry amongst the Co-operative Societies.

9. Your energetic Registrar who has well deserved the congratulations of his Government for his strenuous work contemplates the early development of the following new schemes to make the growth of the movement as thorough, comprehensive, and successful as possible and, as a brother co-operator, I wish you and him every success in your effort to achieve them. If he had not mentioned these, I myself would have suggested their introduction in your Co-operative life and that is why I feel it my pleasant duty to accord him a whole-hearted support in his plans. First, the formation of a Co-operative institute for voluntary work of organisation, education, propaganda and supervision; secondly, establishment of a school for the training of inspectors and supervisors; thirdly, formation of a Land-Mortgage Bank; fourthly, starting of cattle insurance societies; fifthly, extension of house-building societies; and sixthly, revival of the Co-operative Bulletin.

10. I, in my humble opinion, would further suggest for your earnest consideration the need for the following types of institutions. First, bull-breeding or cattle-breeding societies; secondly, the organisation of Co-operative dairies or societies for dairy produce; thirdly, land redemption societies on the lines of the Danish institutions; fourthly, a comprehensive co-operative

housing scheme as attempted in Denmark and in England; and fifthly, a Mysore wholesale Co-operative Society on the lines of the Irish Wholsale or the Wholesales of England and Scotland. If you keep before your mind's eye the ideal that there should be a Co-operative Society organised in each of your 20,000 villages, you will need a vast organisation so as to bring in its net-work every one whom Co-operation can help and assist. I have noticed in Denmark that in rural areas many farmers belong to more than half a dozen Co-operative Institutions in their neighbourhood, and your State, judging from its past achievements, can legitimately aspire to reach that goal and thus be in India a model tract for Co-operative knowledge and experience. If you are inspired by these high and noble ideals and if the right principles guide you further in your progress, as they have done in the past, you will then make it impossible for your Registrar to write in the following strain as he has done in one of his notes. "It might perhaps appear that with so much assistance little has been accomplished. But the difficulties are great and some of them practically insurmountable. Public confidence in the success or practicability of a new organisation grows but slowly and their support in our efforts comes still more slowly. The people too are accustomed to look for everything to Government and private initiative is almost non-existent..  
....."

II. Before concluding I may be permitted to quote the following words which I addressed to a large assembly of Co-operators in Bombay under the Presidency of His Excellency Sir George Lloyd, the Governor of my Province.

"Let me, lastly, appeal to my patriotic countrymen and countrywomen to recognise the practical, economic and social value of Co-operation, as it is seen in the West. We are now living in a democratic age in which the destinies of the rich and the poor high and low, educated and uneducated, are bound up together and closely welded. For common good, all have to be brought to a higher level and that task can best be achieved by adopting the method of Co-operative education as one of the efficient means. Democracy needs the art of Self-Government and Self-Government is one of the attributes of co-operation. That is why man;

thoughtful people value co-operation as a great disciplinary and educational force whose value lies in training people in civic duties. The creed of co-operation wants its votaries for this task of emancipation and reconstruction. It is a work of resurrection also. It is a noble task and like all noble undertakings it blesses those that serve and those that are served."

12. Mr. George Russell, the great Irish Co-operator, writes in his recent publication called "The National Being" in such glowing terms as the following, in order to clearly unfold the higher purposes and the larger functions of the movement of co-operation and I would earnestly appeal to you all to lay to heart the wise words of this great and practical seer of co-operative truths. He says, "We may hope and believe that this transformation of the social order will make men truly citizens, thinking in terms of the nation, identifying national with personal interest. For those who believe there is a divine seed in humanity, this atmosphere, if any, they may hope, will promote the swift blossoming of the divine seed which in the past, in favourable airs, has made beauty or grandeur or spirituality the characteristics of ancient civilisations in Greece, in Egypt, and in India. No one can work for his race without the hope that the highest, or more than the highest, humanity has reached will be within reach of his race also. We are all laying foundations in dark places, putting the rough-hewn stones together in our civilizations, hoping for the lofty edifice which will arise later and make all the work glorious. And in Ireland, for all its melancholy history, we may, knowing that we are human, dream that there is the seed of a Pericles in Patrick's loins, and that we might carve an Attica out of Ireland."

# FUTWAH CO-OPERATIVE STORES, LIMITED

## Second Annual Report.

### INTRODUCTION.

The Stores were opened in March 1918, to meet what was felt to be then the chief need of the members of agricultural Co-operative Societies in this area; *viz.*, a means of disposing of their goods in the best markets, and at the best price without recourse to middlemen. This was the main object in view, and to this end the bye-laws were framed. The principle adopted is that when a member has goods to dispose of, he deposits them in the stores, and forthwith receives 80% of the then market value. When the market is favourable, at the members request the goods are sold, and the member gets the balance of the price less a commission of 1 pice per rupee.

### CAPITAL.

The authorised Capital of the Store is Rs. 10,000 for the present to be made up of 2,000 shares of Rs. 5 each payable in two instalments. Last year 371 shares were subscribed, 281 shares by 24 individuals and 90 shares by 8 Co-operative Societies. This year 17 more individuals and 9 Societies subscribed 88 and 63 Shares respectively; in other words 151 shares were subscribed this year. The total shares subscribed by individuals & Societies come to 369 and 153 respectively. The total of both comes to 522 shares. The amount of allotment paid by them comes to Rs. 1,305 and Rs. 697-8 has been paid by share-holders of 279 as their 1st call. Share-holders of 243 shares could not pay their 1st call before the close of the year but out of them some have been realised. We received no fixed deposit this year except Rs. 2 from the new agent, but on current deposit we received Rs. 2,294-9-8 from the members, 1,522 from non-members and Rs. 3,231-6 from Societies for transmission to the Central or Provincial Bank. We refunded all deposits of this year except Rs. 6-15-6 made by agents and

Rs. 300 of one Society which was deposited on the 31st May and only Rs. 50 remains out of last year's deposit. We withdrew our cash credit from Provincial Bank up to Rs. 9,298-14-10, the total amount withdrawn comes to Rs. 19,963-11-5 including Rs. 425-2-8 interest and postage. The amount outstanding in the last year was Rs. 2,010-12-10. The total sum we owed to the Provincial Bank was Rs. 21,974-8-3 out of which we paid Rs. 15,795-9-10 the remaining Rs. 6,178,-14-5 has been carried forward to the next year's account.

It is not necessary to discuss all the different heads of Receipt and Expenditure here because the statement attached herewith will give an adequate idea of figures; still it is desirable to give an explanation in detail of various heads shown there. The important one is the advance on goods; when goods are deposited and depositors need money we advance them at the rate of 80 p.c. on the current market value of the stock, but when it is sold we realise our due including commission at the rate of  $-\text{/-}/3$  p. per rupee with interest on money advanced at the rate of  $12\frac{1}{2}$  p.c. if it has been sold after a week from the date of advance, otherwise within a week it bears no interest. But as soon as the goods are sold to customers we credit the amount against our depositors and debit it in the name of purchasers and put it under head *suspense account*. If it is realised within a week it bears no interest but on expiry of a week it bears same interest. These are the two important heads, the former is locally called *Malpetti* and the latter *Hisab Chukti*. The heads of brokerage (Dalali) the custom in the market is that the sale of all goods takes place through local Dalal, for which sellers of goods have to pay  $-\text{/-}/5$  p.c. This amount is paid by depositor and is credited in a different head that belongs to others. *Palodari*, certain number of stout men are engaged for handling full bags for which we pay them wages either on behalf of the depositors or in certain cases on behalf of store for removing bags, the rate is not fixed, it varied from  $-\text{/-}/3$  to  $-\text{/-}/6$  per bag. The other head requires no especial explanation because the name itself bears significance of every head.

#### WORKING OF THE STORES.

Much has been said under the head of introduction which

covers working of the store as well. But still it is desirable to scrutinize its working in a separate head. The successive failure of harvest, the struggle of great war and in consequence scarcity stood as a great hindrance in its progress. Though the market rose to its highest extent owing to scarcity yet less produce did not allow members to sell their goods in large quantity because they found it not sufficient even for their maintenance. It is not deniable that though members secured 50 p.c. profit above the market rate, *i.e.*, when they were to sell their crops it was 16 seers a rupee but after a few months the said crop was sold at the rate of 10 seers a rupee in the month of September, yet inspite of this very few realised its importance and they did not store their produce as much as was expected. Their explanation is that on account of bad harvest they could not store. To some extent their statement bears truth, but in fact many are afraid to store their crops as they are defaulters in the society and fear that the saleproceeds will be paid direct to the society instead of to them. It is expected that their susceptibility will be abandoned from them in near future.

The District Board was pleased to appoint our store as an agent of salt so a head has been opened to enter sale proceeds of salt and in disbursement side whatever has been spent for salt excluding interest upon the amount invested in the salt, establishment and house rent charges has been shown there.

It will be seen that the greater part of the profit has been made out of salt; and it must be admitted that were it not for this, the Stores would not be able to work on such a low commission as  $\frac{1}{4}$  anna per rupee. The price of the salt was fixed by the District Board. Nevertheless it is under consideration whether it would not be more proper to separate the two sides of the Stores business, *viz.*, sale of members produce, and supply of consumer's necessities, so that the producer should get the profits on his branch of the business, and the consumer the profits on the other part of the business.

Last year we got Indra Silla paddy from Agricultural Association, Barh, but on account of late arrival we could not successfully sell and whatever was sold was snatched away by the flood so

agriculturists could not achieve any gain by it. But Pusa wheat indeed this year has proved most successful among the agriculturists of different societies. A new experiment has been proved and to make it fruitful this crop requires at least thrice irrigation then it can be presumed to be congenial to the said of this part. No cotton seeds shares the same fate as Indra Silla paddy on account of flood. Castor Seed was supplied to the members of different societies but most probably on account of drought they were not so successful as it ought to be.

The store has deposited Rs. 1,223-7 with the local Post Office and incurred Rs. 143-12 in purchasing gunny bags and Railway freight in their sending to the Khewra in the beginning of April but still the store is not in receipt of salt hence it has been shown as an asset. As the business of the stores has considerably been expanded which led us to increase our cash credit with the Provincial Bank from Rs. 10,000 to Rs. 15,000. The store was insured with Messrs. Gillander Arbuthnot of Calcutta to the extent it was granted cash credit last year but as the cash credit has been increased so we were compelled to insure it for Rs. 15,000 and paid insurance charge at the rate of -/6/- p.c. which is meant for the next year hence it has been shown as assets.

It is a matter of great regret that the green manure has not established its popularity among the agriculturists and no other reason can be assigned to its drawback than flood.

Majority of members are milkmen but as they hesitate to deposit ghee in the store it was considered desirable to purchase ghee from them. In introducing it, this stuff established their reputation among the consumers hence it is expanding its scope. The high price of cloths induced us to purchase some cloths from Ranchi Weavers Society, which were though dear still very useful to the agriculturists. Apart from it the stores is located in a rental house and has to pay employees, one agent and another weighman; besides them Secretaries are doing much work themselves.

The net profit of the Stores during the year is Rs. 913-15-8 plus Rs. 77-12-11, last year's undistributed profit which was carried forward as working capital, total Rs. 991-12-7 has been

the distributable profit out of which our Directors proposed to carry forward to the Reserve Fund Rs. 228-7-10 and Rs. 77-12-11, last year's undistributed profit, total comes to Rs. 306-4-9. Rs. 76-11-3 we took from the profit to increase Reserve Fund and Rs. 27 last year's reserve fund total Rs. 400 to be invested in the purchase of 2 shares of the Provincial Bank. Rs. 200 has been set aside towards building fund, Rs. 100 to the war loan, (Note in the Annual General Meeting war loan has been omitted; Rs. 300 has been set aside for building fund to be invested as the Cash Certificate) Rs. 95 to charity and Rs. 151-3-3 for dividend at the rate of  $12\frac{1}{2}$  p.c. This leaves a margin of Rs. 72-9-4 which will be carried forward to the next year's working capital.

The Store was audited by Babu Jagdamba Prasad Bhatnagar in the month of March which was tested by the Deputy Registrar, their suggestions were carried out but some of them are still pending for want of registers and forms. The Registrar Co-operative Societies was pleased to inspect the Store on the 11th May, 1919 but yet we are not in receipt of his remarks. The Provincial Bank authorities are always attentive to the transaction with our concern. So we are thankful to the above named officers and especially to the Registrar who gave us sound advice and has much interest with our institution.

#### CONCLUSION.

Members did not turn up to deposit their goods to the extent it needs on the grounds mentioned above, still a beginning has been made and the amount of member's goods sold should increase steadily as they overcome their fears and prejudices. The former agent tendered his resignation and a new man has been appointed from April. The Deputy Chairman takes especial interest in the affairs of the store and is always attentive to satisfy the people concerned. The Assistant Secretary since last two months began to take some interest; but big traders are still not free from hostility, we hope that in the year of progress the Store will be utilised by the members in selling their produce through it because those who deposited their goods profited themselves varying from 40 to 50 p.c. after paying interest and commission. The Director of Civil Supply very kindly granted us Priority Certificate to bring rice

from North Bihar and Bengal, but B. N. W. Railway authorities inspite of repeated requests did not supply us with wagons according to the Priority Certificate; this put some of our members to great loss and they were compelled to sell their goods there because their stuff was purchased in the month of December and they could not bring it till February last.

We have to repeat our remarks that we are not aware as to existence of Stores like ours in any other place but we expect that if there be any in other province or within our own, there would be good co-operation between these institutions and many middle men will see their way. It is indeed desirable to have a mill to dispose off raw materials produced by the members of the Co-operative Societies who will utilise their finished goods and will save their raw materials from adulterations by the outsiders.

A word regarding weavers of Fatwah must be mentioned here. Though we are attempting to persuade them to participate in our dealings to achieve some benefits yet on account of some big men among their own committee who do not allow them to go out of their clutch we are unable to render any help to them. Now we have proposed to search their customers in other parts of the country who may purchase their finished goods, if we succeed in this effort, at least they will get proper price of their clothes which they are not getting at present.

The Directors cannot close the report without thanking the Honorary Secretary Rai Saheb Raj Prakash Narayan without whose energy, and painstaking management of the business, the stores would certainly have to be closed. It is only by very slow degrees that members will gain sufficient experience to manage their own business alone, by a real co-operation among themselves.

P. T. MANSFIELD

S. D. O.

*Chairman.*

## BANKIPORE CO-OPERATIVE BANK

---

From the fifth annual report on the working of the Provincial Co-operative Bank of Bihar and Orissa at Bankipore, from the 1st June 1918 to the 31st March 1919 it appears that during that period the bank has made a profit of Rs. 23,646-14-1 including Rs. 319-8-11 brought forward from the previous year, of which after deduction of depreciation in building and furniture at 10 per cent. Rs. 258-8-0; guarantee commission, Rs. 1,900,0-0; divided at 6 per cent. on paid up portion of the guarantee share, Rs. 1,200-0-0; totalling Rs. 3,358,-8-8; there remains, Rs. 20,288-5-5. From this must be deducted 25 per cent. to be placed to general reserve, Rs. 5,148-7-4; this leaves available for distribution, Rs. 15,139-14-9; the directors now propose to pay a dividend at 6 per cent. on the paid up portion of preference shares, Rs. 5,551-4-8; to pay bonus to staff, Rs. 240-0-0; to place to general reserve a further sum which brings it up to Rs. 25,000, Rs. 8,851-8-8, to carry forward to next year's account, Rs. 497-1-5. The directors consider the result of the working of the bank as extremely satisfactory inspite of failure of the monsoons and general scarcity. The co-operative movement as a whole, the directors remark in the report, is making rapid progress in the province as will be evident from the fact that the bank has now 30 central banks to deal with as against 21 last year, and that there are over 200 society accounts as against 120 dealing directly with the bank. The directors did not invest any money during the current year in securities, and the investments therefore remain the same as last year. But at the close of the year, there being a surplus of over a lakh and a half the directors deemed it desirable to invest a lakh in 3 months treasury bills, which matured on the 3rd ultimo. The directors are pleased to record the good relationship that exists between the bank and its constituents.

## EXTRACTS AND SELECTIONS

---

### 1. Agriculture and Co-operation.

A recent issue of the *Agricultural Journal of India* contains an eloquent plea by Mr. H. R. Crosthwaite, Registrar of Co-operative Societies, Central Provinces, for the further development of the co-operative movement in India. There is still only one co-operative society in India for every 20,000 of the population engaged in agriculture. Mr. Crosthwaite holds that there is room for at least 40 credit societies for every 20,000 cultivators provided always that the societies can be audited, educated and financed. At present, Mr. Crosthwaite urges the co-operative cycle is far from complete and much of its potential benefits are wasted. In the relative absence of non-credit societies, there is little scope for the profitable employment of the reserve funds and surplus deposits held by the movement. Mr. Crosthwaite sees visions of an India in which co-operation will have democratised both production and credit. The *Bapari* and the *Mahajan* will have disappeared and the entire standard of rural comfort and independence will have been raised.

---

### 2. Cottage Industries in India.

Mr. P. G. Shah, in the current number of the *Bombay Co-operative Quarterly* puts forward a strong plea for the preservation and development of cottage industries in our land. Cottage industries can be extended to those cases where the limitations of fashion or pattern provide a fixity of market, where the processes of manufacture do not require either intricate machinery or large financial outlay and where the individuality of the artisan finds great play. Cottage industries are very vital ; the Indian Industrial Commission reports very favourably about them. They are suited to the genius and temperament of the people. By a better organisation of those industries, it should be possible not only to keep the artisan in greater comfort, but also to widen the scope of his work.

We should not forget the unwillingness with which a born potter or weaver leaves his ancestral employment and village to join a factory ; so strong is the hold of ancient family occupations, partly owing to the constitution of the village communities and of the ties of caste and joint family, that he scarcely loses his connection with his ancestral home. There is no doubt that he would be infinitely more happy in his ancestral environments, where

he or his relations own their own house or till their own land, than in the slums of factory life. Apart from attachment to ancestral home, there is the love of freedom, and the dislike of the discipline and of the regular hours of factory life, which are common to all factory labourers throughout the world. Then, there is the great gulf between the factory civilisation and the non-mechanical genius of the people. By temperament and by training, the village-labourer has little knowledge of mechanical appliances ; and there is little gain in the use of machinery in the design and manufacture of which the indigenous talent of the country finds no scope. Above all, the tropical climate of this country makes strenuous exertion in factories a heavy strain on the ill-fed physique of the labourer, and leaves him open to dangers and diseases in the slums, which are already reported to be worse than those in European countries.

Taking the olden cottage industries first, we find that handloom weaving of cotton, woollen and silk goods supports the largest number of artisans. The hand-loom industry is at present holding its own, and the adoption of technical improvements such as warping mills, fly-shuttle slays and jacquard harness would greatly enhance their material prosperity. The weavers need new improvements in their methods of work, and the spread of co-operation and of education among them can make them go forward vastly. Peripatetic weaving schools, the starting of vocational schools where there is a good demand for handloom factories or for other cottage industries would also solve the problem. It should be possible to tap also foreign markets especially in the case of artistic productions of cloth or metal or wood or ivory.

There are infinite openings for the manufacture of a large variety of products of the hand-looms, weaving from cotton, silk, and wool ; and good progress has already been achieved by Missionary Societies and the Salvation Army Depots. The printing, bleaching, and dyeing of cloth turned out from hand-looms is an industry which awaits development ; and so also the manufacture of hosiery, *i.e.*, of the goods made on knitting machines or from knitted cloth, and lace-making. Considerable improvement is necessary in the method of making utensils and other metal-ware from copper, brass, and aluminium. Furniture-making lends itself to a very efficient organisation on a co-operative basis, an example of the possibilities of which is seen at Bareilly. The manufacture of gur has derived special help in Mysore from the co-operative cane-crushing power mill, and is likely to help the sugar refining industry. In most of these cases, co-operative industrial societies would be of great use, and, if successfully managed, may not require further help from the financial syndicates.

The case of new cottage industries and other industries to be started on a small scale cannot be helped very much by co-operation at the beginning. Separate financial bodies which will secure proper machinery and tools and insist on the observance of a particular standard of quality and should ensure

continuity of production and market, can easily undertake the development of the following cottage industries—toy-making from metal, wood, clay, etc., brush-making, button manufacture, making of steel and brass nibs and of simple forms of cutlery, of pencils and other articles of stationery, of leather goods, boots, bags, boxes, wickerware, cane and bamboo furniture and fruit preserving. The increasing use of electric supply in many towns and cities should make available a cheap and handy source of energy to the cottage worker and should prove a new impetus to production on a small scale. But the central aim in all these things should be to free the artisan from the tyranny of the money-lender on the one hand and the blighting monotony of factory life on the other.

---

### 3. Indian Cottage Industries.

The "*Wealth of India*," contains a very suggestive article on the marketing of cottage industries. The writer Mr. H. W. Wolff recently published a book on the prospects of co-operation in India and is a great well-wisher of the movement. His proposal is that the cottage industries of India should be welded together on co-operative lines and the products marketed abroad for profitable sale. By way of illustration, reference is made to a British firm in London which collects the products of cottage industries in Japan and exhibits them in a special department of sale where good business is done. To adapt the sale of Indian goods, on a basis of sound profit, Mr. Wolff makes two suggestions. The first is that all products that are primitive in their forms, should be slightly modernised for the purpose of giving them a look of greater utility and attraction. The second proposal is that the *co-operative societies* that exist in India should set about organising the collection of products at a workable volume of output. So far as they go, both these suggestions are valuable when examined by the results of the "Japanese Department" to which Mr. Wolff refers in eulogistic terms. We are told that a trial may be made of Indian wares as a speciality in one of the London firms, provided the flow of finished articles is steady and organised. Mr. Wolff concludes with the suggestion that registered societies in India should think of the matter and try to create in foreign countries a demand for finished articles of Indian make. A word of caution however, is essential. While it is good that Indian products should secure foreign markets, the utmost care is necessary to see that the craftsman is not made to sacrifice his art to the spirit of commercialism.

---

### 4. Indebtedness of the Punjab Peasantry.

Mr. Calvert, the Registrar of Co-operative Societies in the Punjab says

that the following five causes have operated to bring about the indebtedness of the Punjab peasantry:—(1) the sudden enhancement of credit due to new conditions introduced by the British Government, (2) the abuse of this credit by clever usurers who encouraged borrowing in order to secure control of produce, (3) the Famines of 1861, 1869, etc., and heavy mortality amongst cattle which drove the cultivators to borrow and so involved them in the money-lender's clutches, (4) the rigidity of land revenue collection accentuated by the tactics of the usurer who seized the whole produce and so compelled the cultivator to borrow afresh for the State demand, and (5) a system of civil law which was unsuitable in as much as it favoured the clever money-lender against the ignorant peasant.

### 5. Co-operative Ginning.

Dr. Harold Mann, writing in *the Bombay Co-operative Quarterly* (June, '19) says that the Report of the Indian Cotton Committee is probably the best account of the present condition and future prospects of cotton in the country. The first point about which the Committee were impressed is that cotton grown everywhere in the Bombay Presidency is hopelessly mixed; and in one type of cotton grown in one field, there may be as many as 7 or 8 varieties, and of each of these, there will be dozens of strains of very varying value. Their first recommendation is about the evolving, either by selection or by breeding, types of cotton for each of the districts, which can be produced on a large scale and which will give a larger yield of better cotton and hence a greater profit than anything now produced and which will gradually replace the mixed cottons now produced.

Having got pure strains of the most profitable types of cotton suitable to any tract, the next two difficulties are (1) to see that the growers get full value for their cottons, and (2) to prevent the types getting mixed and thus deteriorating rapidly. As long as cultivators are growers on a small scale, this will form a very great difficulty. The second danger of deterioration owing to new admixture, whether deliberate or accidental is also particularly serious; and it is chiefly due to the fact that the interests of the ginner are not identical with those of the cultivator and lie only in a secondary sense in the maintenance of high quality cotton in the field, or in the purity of the seed he afterwards sells to the cultivator. The only remedy is to make the interests of the ginner and cultivator identical or in other words to develop co-operative ginning.

"There are thus indicated three portions of the cotton producing industry where co-operative societies may be considered to have a fair chance. The first is as seed growers and seed-sellers, and where new and improved

types have been evolved and where supervision of the experts of an agricultural department is available, such societies may achieve a great success, as has been the case in Berar. The second is in the organising of auction sales of improved types of *kapas* when grown, as is being done, and with success, in the Dharwar district at the present time. The third is in the co-operative ginning of *kapas* on behalf of societies of growers, and so preserving improved seed from all possibility of deterioration. This form of co-operation is developing"—*Indian Review*.

## CORRESPONDENCE

---

### Calcutta Charmakar Co-operative Society.

#### AN APPEAL TO THE CO-OPERATIVE STORES AND CENTRAL BANKS.

The above Society has been started in Calcutta, under the auspices of Bengal Social Service League, among the leatherworkers known as "Chamars" of Calcutta with a view to save them from the extortionate money-lenders and the middlemen who take away their legitimate share in the profits. Its aim is to make the labour the real factor of production of national wealth a self-employer and a self-capitalist ; to convert the middlemen from an agent for exploitation of labour to its partner in the process of Production. The Society is at present in a nucleus state consisting of only 19 members but it has before it a possibility of immense growth. It is trying to organise the whole "Chamar" community (which means the entire shoe-industry) of Calcutta and outside it into a system of co-operative society. But its expansion is mainly hindered for the want of a ready market to consume its production. At the present moment the Society is threatened with the fear of incurring some loss due to accumulation of a large stock of foot-ball covers. This is to be cleared up immediately to release the locked up capital. Now if each Central Bank and Co-operative Store takes 3 to 6 foot-balls and tries to sell those in the maffusil schools the whole stock could be disposed off at once. I hope, the Society in its noble endeavour to ameliorate the lot of the poor "Chamars" subjected to gross injustice and violence at the hands of the middlemen and the *Mahajans*, will draw the active and prompt sympathy from all the brother co-operators. To all those interested in the co-operative industry and welfare of the masses I lay my humble appeal and hope it will not go in vain.

*N.B.*—This being a clearance sale the price is fixed at a 15% discount.

Besides foot-balls the Society manufactures boots, shoes, slippers, suit-cases, etc. A trial is earnestly solicited.

Office & Workshop,  
63, Amherst St., Calcutta.

G. C. MOZUMDER,  
*Hony. Secretary.*  
*Charmakar Society.*

## REVIEWS AND ACKNOWLEDGMENTS

---

As usual the *Bombay Co-operative Quarterly* is full of good articles. There is a valuable criticism of "Takavi Policy" by "W. C. S." Col. H. R. Crosthwaite, C.I.E., puts in a plea for Co-operative Land Mortgage Credit in India. His paper deals with many aspects of the subject comprehensively and it shows how much careful thought has been devoted to the subject by the writer. He traces the benefits which co-operative land mortgage can confer on India and shows on what lines the organization of such an Indian system is possible. Finally he points out the resources on which we can depend in the event of the inception of the scheme. The Hon. Mr. N. K. Kelkar discusses the lines on which the federation system is to be introduced into the Bombay Presidency. The reader will do well to study the powerful criticism of the article in the editorial notes.

The October issue of the *Agricultural Journal of India* has a valuable article by Dr. Mann on the Economic Condition in some Deccan Canal Areas. The exclusive attention given to the sugar-cane crop in these areas has led to deterioration of the soil—the sub-soil being more and more filled with water and injuriously affected by salt. The cost of production has risen and those working with borrowed capital cannot make their crop pay. The same number contains a review of Mr. Calvert's book on Co-operative Marketing. In the absence of such organization the whole produce of the farmer is thrown on the market at once, thus lowering the price which he can obtain. This co-operation in marketing is all the more necessary in the case of specialities. The operation of co-operative marketing is illustrated from the case of California where cost of packing, railway rates and commission rates have all been lowered and great benefits have accrued to the agriculturist.

A very interesting feature of the current number of the *Madras Bulletin of Co-operation* is the instructive symposium on the problem of the appointment of more Additional Registrars in that Presidency. On the one hand it is argued that sooner or later it will be necessary to have one or more Assistant Registrars in each district; that he is the counsellor of the various societies entrusted to his charge and that he has always to look to the careful organization of societies and also occasionally to their working. We cannot depend on honorary work which is generally spasmodic and fails to take careful note of details. There is no fear of too much interference by Assistant Registrars as the spirit of genuine co-operation is growing and societies know the limits of their powers. On the other hand it is urged that there is no need of more Assistant Registrars as the only proper work of the Registrar's

staff is to look to audit while all other work should be performed by non-official bodies. In particular the District Bank should take charge of the co-operative affairs of the district. As an official, the Assistant Registrar is likely to develop and perpetuate red-tapism. The development of Unions who will undertake both supervision and audit will prevent the need for any costly addition to the list of Assistant Registrars. Finally it is urged that instead of an increase in the number of highly paid Assistant Registrars, the existing staff of Chief Inspectors should be strengthened.

We also beg to acknowledge receipt of—

*The Social Service Quarterly.*

*The Indian Review.*

*The Modern Review.*

## CIRCULARS

---

### Circular No. 14 of 1919.

*Organisation of Agricultural Primary Societies on a share-basis.*—It was again urged at the Conference that all organisation should be done with the greatest care and a recommendation was made that the share-basis type of society should be generally adopted in future organisation. The attention of all Central Banks and Honorary Organisers is invited to this and they are requested to keep the recommendation in view at the time of the organisation of societies.

(2) *Essentials to be impressed on members of societies to save societies from liquidation*—The attention of all Central Banks and Honorary Organisers is invited to the following Resolution of the Conference and they are requested to instruct the societies accordingly :—

“That the Conference calls upon all societies to impress upon their members (1) the nine main principles of co-operation, (2) the importance of general meetings, (3) the careful issue of loans, (4) the careful selection of members, (5) punctual collection, (6) business-like account keeping ; as being essential to save societies from liquidation.”

(3) *Settlement of debts of members with Mahajans*—It was recommended by the Conference that Honorary Organisers and others interested in the Co-operative movement should endeavour to bring about settlements between *Mahajans* and members of societies on the lines suggested by Mr. U. L. Pakrasi in a paper which has been printed with the proceedings. The attention of all Honorary Organisers is specially invited to this.

(4) *Provident and Public Benefit Deposits in Co-operative Banks.*—The attention of all Central Banks is also drawn to Resolutions Nos. 8 and 9 of the Conference and they are requested to examine the schemes of Provident and Public Benefit Deposits outlined by Mr. N. G. Basak with a view to making experiments on the lines suggested in the schemes if circumstances permit.

(5) *Appointment of Industrial Sub-Committees in areas where Industrial Co-operative Unions have not been started.*—It was recommended by the Conference that in areas where there are no Industrial Co-operative Unions, Central Banks should appoint Industrial Sub-Committees to look after the organisation, financing and supervision of Industrial Co-operative Societies. This is specially commended to the attention of all Central Banks for necessary action.

J. T. DONOVAN,  
*Registrar of Co-operative Societies, Bengal.*

## BUSINESS NOTICE

I. The annual subscription to the *Bengal, Bihar & Orissa Co-operative Journal*, including postage, is rupees three only for India and six shillings net for foreign countries, payable strictly in advance. A single copy of the Journal can be had for annas eight only.

II. The Journal will be ordinarily issued every alternate month. Short articles and correspondence on Co-operation and allied topics will be welcome. Rejected articles can be returned only if accompanied by stamped and addressed envelope.

III. Complaints about the non-receipt of the Journal should reach the Office within 15 days of the month after the month of issue.

IV. Contributions must be written (preferably typewritten) on one side of the paper and must be accompanied by the full name and address of the writer which will be published only if the writer so directs.

V. All remittances should be sent to Mr. N. C. Bose, Hon. Treasurer, *B. C. O. Society*, 6 Dacre's Lane, Calcutta.

VI. All communications (including literary contributions meant for publication in the Journal) should be sent to Prof. P. Mukherji, Hon. Secretary, *B. C. O. Society*, 6, Dacre's Lane, Calcutta.

VII. The scale of charges (payable strictly in advance) for advertisements in the *Bengal, Bihar & Orissa Co-operative Journal* will ordinarily be as follows:—

### *For occasional insertions.*

|                      |     |     |     |                       |
|----------------------|-----|-----|-----|-----------------------|
| One page             | ... | ... | ... | Rs. 15 per insertion. |
| Half page            | ... | ... | ... | „ 8 „ „               |
| Quarter page or less | ... | ... | ... | „ 5 „ „               |

### *For insertion in six consecutive issues.*

|                      |     |     |     |     |        |
|----------------------|-----|-----|-----|-----|--------|
| One page             | ... | ... | ... | ... | Rs. 65 |
| Half page            | ... | ... | ... | ... | „ 35   |
| Quarter page or less | ... | ... | ... | ... | „ 18   |











